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AN UNFINISHED SAGA: RURAL DEVELOPMENT IN FIVE ASIAN COUNTRIES*

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INTRODUCTION

The term "rural development" has suffered from verbal inflation in recent years, yet it still has amorphous connotations. Not surprisingly, it means different things to different people. Some see it as a separate part of a broader framework for development in rural areas (where anything which is not classified as "urban" development is, therefore, "rural"). Others treat it as the (all too often cosmetic) "social welfare" component of production-centred agricultural development programmes. Still others view the issue from the standpoint of a target group and define rural development as a concern for increasing the productivity and incomes of a specific clientele - the rural poor - through a mix of complementary and mutually reinforcing activities, including both production and social welfare.

The notion of "integrated rural development" has recently gained supporters as a "catch-all" phrase, implying a comprehensive mix of these different approaches. Most governments, however, view rural development as a special programme category, initiated, implemented and financed by the central government with the induced participation of the rural population.

For the purpose of discussion, it is necessary to have a single definition of rural development, in order to have a common perspective on the process and its constraints. It is the belief of the author and the premise on which this paper is founded that rural development is <u>not</u> the development of an area arbitrarily called rural, nor is it an effort to increase agricultural production with the additional goal of improving social welfare. For rural south Asia, it is a fundamental process of political, economic and social transformation of agrarian societies in which the main actors are the majority members of the societies themselves. Development is not just increasing some abstract aggregate measure of national income. It is not catching up with the "industrialized west" through capital and technology transfer. It is indigenous to each society and builds primarily on its own resources, mainly land, and the majority population who work on the land but own very little of it. Development is not for the few, the elite and the "best". It is for the many, the rural majority.

Government and policy makers at the national level have a critical role to play in assisting in this process of change through, for example, resource-allocation decisions; attention to rural-urban terms of trade; appropriation and reinvestment of surplus in the countryside to give increased economic opportunities

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to the majority population; a broad-based educational investment effort; appropriate industrialization policies that support the central mode of production (i.e., agriculture) and offer productive and renumerative employment to most members of the community; and support for structural reforms that provide increased access to productive resources by those who have little or no access to such resources.

External agencies can assist governments in these tasks, but neither the external agencies nor the governments should think that they are "doing" development. Unfortunately, what we see today is development administered "to" the people. It is the policy makers, planners, bureaucrats and technocrats who, by themselves or along with external donor agencies, decide what is good for the rural people. They then try to impose that package on the rural population. Such rationally designed "integrated packages" often go beyond the understanding of the rural actors, inhibit their indigenous creativity and perpetuate their passivity and dependence.

The above is a simplistic typography of some of the perceptions of rural development. This paper, reviews "rural development" as it was and is now practised in some countries in south Asia. It discusses its historical evolution; the impact of rural development programmes on productivity, employment and income; public sector investment in agriculture and rural development; and the relationship of rural development to national development strategies.

The first section of this paper deals with the post colonial perception of development in the 1950s.

In the following section, we will analyse some of the rural-development efforts in the countries under review over the last two decades. Each of the countries is taken up separately for the micro-level analysis.

The third section, then, will concentrate mainly on a macro-review of the rural development programmes over a broad spectrum of activities, with specific attention to agricultural productivity, income distribution, employment, price and income policies, government investment in agriculture and other policy interventions, including education and health.

I. RURAL DEVELOPMENT IN THE 1950S - THE DECADE OF CONFLICTING PHILOSOPHIES

South Asian countries like Bangladesh, India, Pakistan and Sri Lanka are all ex-colonial countries. Asian countries have been conquered many times, but previous conquerors had sooner or later forgotten the mother country and identified themselves with the new land. Colonial rulers aspired to be different. They were alien and superior. They destroyed the old political systems and elites. They shattered traditional economic patterns and created a novel economic relationship between the mother country and its colonies. Over a long period the traditional political and economic structures of these countries were torn apart and battered into new forms.

The traumatic colonial experience has left deep marks on and continues to exercise a profound influence over these countries. Few of them have detached themselves radically from the past. Most have retained, almost intact, the colonial superstructure. It is necessary, therefore, to relate at least briefly the post-independence perceptions of development of these countries to their immediate past - the colonial period.[1/]

Extremes of privilege and deprivation had been characteristic of the agrarian society of south Asia during pre-colonial days, but there was no private land ownership; it belonged to the state. The village society was the de facto owner of the land although chiefs and autonomous princelings had the authority to extract tribute from the land. Since the aristocracy was not hereditary, the tribute extracting authority at all levels "had an incentive to squeeze village society close to subsistence".[2/]

The colonial incursion in the Indian sub-continent (now Bangladesh, India and Pakistan) made control over land hereditary through various settlement patterns.[3/] All of these arrangements involved dominance by a landlord (rent-receiving) class - not necessarily owners, in the strict sense. They might themselves be "occupancy tenants" but with superior property rights in the soil, which permitted them to lease out land to lesser tenants, sub-tenants or "croppers" and to extract from them a surplus in the form of rent.[4/]

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1/ "Ten decades of rural development lessons from India" by Akhtar Hameed Khan, MSR Rural Development Paper No. 1, East Lansing, Michigan.

2/ Angus Maddision, Class Structure and Economic Growth (London, George Allen and Unwin Ltd., 1971), pp. 22-23.

3/ These included, for example, "Permanent settlement in Bengal, ... and Jagirdari settlement" in Hyderabad and Rajsthan.

4/ T.J. Byers, "Land reform, industrialization and the marketed surplus in India: an essay on power of rural bias" in Lehman David (ed.), Agrarian Reform and Agrarian Reformisms: Studies of Peru, Chile, China and India (London, Faber and Faber 1974), p. 230.

Under the new tenancy systems, the status of the money lenders improved because clear titles made land-mortgage possible. The intervention by British in agriculture in India (except for tea and indigo where cultivation was carried out on a capitalist basis) resulted in new production relationshps whose most important characteristics can be identified as (1) share-cropping, (2) multiple social roles of dominant groups, (3) perpetual indebtedness of small tenants and (4) distress sales of assets and produce by small tenants. In these new relationships, the roles of landowner, money lender, merchant capitalist and village-broker were generally vested in only one or two individuals. As under the feudal mode of production, the major part of surplus thus extracted from agriculture was used in consumption and a part diverted to purchase of land, precious metal and to urban financial investment.5/ In sum:

> "... the net effect of British rule was to change drastically the social fabric of Indian agriculture but to leave virtually unaffected the basic process of production and the level of technology. The upper strata of this new agrarian society benefited handsomely. The position of cultivators deteriorated. Capital needed for agriculture was siphoned off and the level of total output tended towards stagnation." 6/

The objective of the colonist was to annex the peasant economy to the British metropolitan economy, to expropriate minerals and agricultural products for the metropolitan centre, to destroy the local artisan (thereby preventing him from playing his historical role as the central point in the transition from manufactory to factory), to link the colonial market with the factories of Manchester and Liverpool, and to create an indigenous elite (who could best be described as "mimic men") through the colonial education system to help them in their tasks. As stagning posts on the periphery-centre routes, small modern enclaves mushroomed in the ports, mining centres, plantations and administrative nuclei of the colonies, and the old indigenous landed elite joined with the new indigenous middle class professionals (including those on the fringes of commerce and administration and the comprador mercantile bourgeoisie) to form part of the colonial system. Whereas the old elites had been an organic part of the agrarian society as chiefs and landlords (even though they may have lived as absentee landlords in the old cities as members of the imperial courts), the new elites, linked to the colonial economy, had no such symbiotic relationship with the agrarian economy and society. Rural

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5/ Mohiuddin Alamgir, "Bangladesh: a case of below poverty level equilibrium trap" (B.I.D.S., Dacca, 1978), p. 53.

6/ Alice and Daniel Thorner, Land and Labour in India (Asia Publishing House, 1962). In Sri Lanka, for example, the colonial encouragement of the establishment of plantations ... further deteriorated the condition of peasant cultivators.

areas were seen only as sources of food and reserves of labour for the "modern" mining, commercial and administrative enclaves. Thus they became increasingly poor.

Within this framework, the colonists in the then India for example were plagued with recurring famine culminating in the Bengal famine of 1943, peasant revolts due mainly to abuses of land-tenure by planters and landlords, peasant indebtedness caused by unequal trade and usury, and in general rural disaffection. The colonial responses were: first, the famine code which described in minute detail when and how the dole should be distributed to save the disabled from starvation, how to organize public works at extremely low wages for unemployed peasants, and how to advance loans to the landowners for the next cultivation; secondly, rationalization of the basis for enhancement of rent, beginning in British India with the Rent Act X of 1859 (which could not be implemented on a broad scale and which, further, left out share-croppers and tenants at will); thirdly, regulations to reduce usury (which were rarely enforced) and to support the organization of co-operative societies modeled after German credit unions (which flourished briefly during the agricultural boom of the first World War only to become "banks of the bankrupts" following the depression); fourthly, the establishment of local governments to provide a feeling of participation and to encourage local initiative (which only gave dejure sanction to the unofficial influence of the collaborator rural gentry).

During the last phase of the Empire, a paternalist philosophy of rural reconstruction was espoused, it identified the causes of rural misery as ignorance, illiteracy, lazy farming, burning of precious cow dung, litigation, poor hygiene, bad habits, costly marriage and death feasts etc. The cure quite logically was in the acquisition of knowledge and the reform of vicious habits: learning and practising better methods of agriculture, health education and social conduct - all through self-help, self-reform and following the official leader. The leader was the government officer at the district and sub-district levels who, "contrary to the stereotype of an arrogant and corrupt bully was to convert himself into a friend, philosopher and guide of the villagers. He was also to inspire the old loyal collaborators, the rural gentry, to mend their ways and give leadership to the commoners".7/

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7/ Akhtar Hameed Khan, op. cit.

With the emergence of new nations (India, Pakistan and Sri Lanka) as the British left, the new nationalist leaders of these countries provided no new "structural framework" for development. The leaders of these countries, including the feudal landlords and the professionals trained in the colonial education system, rarely had any association with peasant movements or any deep-seated understanding of the complexities of rural problems. On the other hand, they were acquainted and conversant with the dominant philosophies of social democracy, the Russian revolution, and the Keynesian theories of capital accumulation and growth prevalent at that time. These philosophies, though divergent in their approaches to the achievement of economic development had significant impact on their minds and influenced their decisions. Common to all these philosophies was one important theory: that the source of growth is inherent in capital goods only, and that the means of growth is the allocation of resources for the acquisition of capital resources. There was no place, then, in the accepted development strategies for a theory of accelerating growth by stimulating agriculture and mobilizing manpower.

The basic strategy undertaken followed the colonial growth model with a difference. Development required both domestic and external resources. Domestic resources were still to be generated by internal colonization of the agricultural sector. The difference between the colonialists and the colonies-turned-sovereign nations lay in the external sphere. Whereas the metropolitan nations drew external resources from their colonies by their own decision, the newly independent countries were to obtain their external resources in the form of aid from the metropolitan countries. Aid was furnished in the form of capital, technology, management guidance and advice; it was furnished not according to the preferences and decisions of the recipients, but at the pleasure of the donors. The basic model was import substitution of consumer goods with the help of imported technology and capital, plus export earnings that were primarily agricultural. There was no attempt to encourage import substitution of technology itself through domestic invention and innovation. The terms of technology transfer were severe. Export clauses virtually prohibited access to external markets for "non-traditional" goods. This was another manifestation of the asymmetrical relationship. Whereas in the heyday of metropolitan-dominated development, markets for metropolitan manufactures in the colonies were established according to the will of the metropolis; now markets for ex-colonial manufactures in the metropolis were established at the will of the metropolis and not of the ex-colony. Without an expanding

/external

external market, the domestic market failed to provide adequate outlets for the import substituting industries. This was due, also, to a skewed internal income distribution and to the elitist character of the product-mix of the new industries which were foreign to the majority population.8/

Along with this strategy for growth, there was a populist concern for rural welfare. The measures articulated in the populist rhetoric for improving rural conditions may be summarized as follows: first, the implementation of agrarian reforms to remove palpable inequities, (redistribute land and impose ceilings on ownership), secondly, the formation of co-operatives to prevent exploitation by middlemen and money-lenders, thirdly, community development programmes including the rapid expansion of education, health and other welfare services, and fourthly, some attempts at increasing the production potential of the agriculture sector through development of irrigation facilities and reclamation of cultivable waste land.

Landownership in many third world countries is synonymous with control of wealth, social prestige and political power. Redistribution of land in favour of the landless, workers, tenants and small/marginal farmers would contribute directly to the alleviation of the most acute forms of deprivation of the rural majority and to reduction of their dependent status. As the International Labour Organisation document on Poverty and Landlessness in Rural Asia points out, "A reduction in inequality brought about through a redistribution of landed property and supported by measures such as the provision of credit marketing facilities is likely to raise total production and is certain to raise the incomes of the poor. Rural development cannot be said to have begun without land reforms".

The distribution of operational holdings remains highly skewed in Bangladesh, India, Nepal and Pakistan as shown in table 1. The Gini coefficients in the early 1970s range from 0.41 to 0.63 with three countries showing ratios greater than 0.47. The table shows a high concentration of operating units in a very few large farms. In India, 4 per cent of the farms accounted for 31 per cent of the land area in 1970. In Pakistan, 11 per cent of the farms accounted for 43 per cent of the land area. Although landholdings in Bangladesh are much less concentrated, the maldistribution of land has increased between 1966 and 1974. At the upper end, the larger farmer in the 6 acres plus category involves 12.28 per cent of the population with 44.63 per cent of the land; at the lower end, 66 per cent of the Bangladesh farmers operate only 24 per cent of the farmland. In India, 52 per cent of the farm operating units cultivate only 8 per cent of the land.

/Table 1.

8/ W. Haque, "Bangladesh problematics of transition", adapted from mimeograph presented at Bangladesh Economic Association Conference, 16-18 June 1978.

Table 1. Pattern of land distribution farm size in hectares
(percentages)

	0-1		0-2		0-3		0-5		0-10		10		Coefficient
	Farm	Area	Farm	Area	Farm	Area	Farm	Area	Farm	Area	Farm	Area	
Bangladesh													
1960[a/]	51.6	15.2	77.9	41.6	89.3	60.9	96.5	80.0	99.6	94.1	0.4	5.9	.47
1974[b/]	66.0	24.0	88.0	58.0	95.0	77.0	94.0	90.0			2.0	11.0	.57
1977[c/]	79.9	28.0	92.4	58.5	96.4	77.8	98.8	91.54	99.8	95.02	0.2	4.2	
India													
1961[d/]	39.8	6.8	62.2	19.1	74.6	30.4	89.6	53.4	95.5	70.2	4.5	29.8	.59
1970/71[e/]	50.6	9.0	69.7	20.9	79.2	31.0	88.6	46.7	96.1	69.1	3.9	30.9	.63
Nepal													
1960	32.9	3.5	49.5	9.4	61.5	16.7	77.1	31.7	92.1	57.3	3.9	42.7	0.60
1962	66.62	20.93	86.85	46.22	92.34	64.37	96.34	77.37	98.97	89.30	1.03	11.70	
Pakistan													
1972					43.6	12.2	68.1	30.4	89.2	57.0	10.8	43.0	

Sources: a/ Food and Agriculture Organization, Report on the 1960 World Census of Agriculture.
b/ Food and Agriculture Organization, period Progress Report of the Agricultural Census Programme - No. 7, February 1976.
c/ Statistical Pocket Book of Bangladesh, 1978.
d/ Indian Directorate of Economics and Statistics, Indian Agriculture in Brief, 11th edition.
e/ Indian Agricultural Census, 1970-1971.

/Perhaps

Perhaps the most striking feature of the data on farm size distribution is not the degree of dispersion, but the large number of farms that are very small; in Bangladesh, India and Sri Lanka, farms of one hectare or less account for over 50 per cent of all holdings. In these countries also, the percentage of farmers in this category has increased considerably over the decade. In addition, a third or more of the farmers of Bangladesh, Pakistan and Sri Lanka are pure tenants. Since the control of land and access to other productive resources appear to be closely related, the larger and wealthier landowners tend to receive a disproportionate share of the technical assistance and advice provided by government agencies. They also enjoy easier access to institutional credit and other inputs.

The leaders of these newly independent countries were fully aware of the iniquitous agrarian structures. They saw the remedy in a radical redistribution of assets and in voluntary formation of co-operatives. But the efforts to curb privilege were too often threatened by the privileged. These countries (Bangladesh, India, Nepal, Pakistan and Sri Lanka) have been carrying out land tenancy reform programmes of one sort or another for many years. In India the tenurial reform programmes were first undertaken in 1947-1948, in Bangladesh and Nepal in 1951, in Sri Lanka in 1958 and in Pakistan (West Pakistan) in 1959. The purpose of these reforms was to abolish intermediary tenures, provide security of tenure to tenant farmers, impose maximum ceilings on landholdings and prevent further fragmentation of land so as to provide farmers their rights of cultivation on land as well as the opportunity to increase productivity. These legislative reforms were characterized by attempts to by-pass local power structures, a lack of clarity in definition, uncertainty in bureaucratic implementation, and piece-meal efforts at implementation.

In the 10 Indian states which implemented land ceiling legislation between 1958-1971, only 0.99 million hectares had been declared surplus by 1971, representing only 0.7 per cent of 1971 net cropped area. Less than 0.49 million hectares had been redistributed to poor farm households and landless workers. In West Pakistan, only 0.77 million hectares were acquired by the Government under the Martial Law Regulation 64(1959) which represented a mere 5.5 per cent of the net cropped area in 1965. Of this, over half was uncultivated waste or forest areas, so that less than half a million hectares could be redistributed. Similarly in Bangladesh (then East Pakistan), only about 200,000 hectares were transferred to occupany tenants and tenants-at-will during the 1960s, though the net cropped area averaged over 8.90 million hectares through the decade.

/Since

Since the early 1970s, the countries discussed above (and more recently Sri Lanka) did pay more attention to land reform. As in the 1960s, though, the impact of the new legislation was still weak due to high ceilings and cumbersome administrative procedures. In Pakistan, surplus land according to the 1972 census amounted to only 1.15 million hectares, or less than 8 per cent of the net cropped area. By mid-1974, less than 3 per cent of the net cultivated area had been acquired by the Government and only one fourth of this has been redistributed. In Bangladesh, the land ceiling legislation of 1972 applied to about 3.2 per cent of the net cropped area.

In Nepal, with the advent of a new form of Government in 1952, the necessity for agrarian change was recognized publicly. The first act on tenancy security was promulgated in 1952 in the Kathmandu Valley. The act, however, remained largely ineffective, as no immediate follow-up measures were pursued. The recommendations were not adopted, except that the Jagir system was abolished in 1952. In 1955 King Mahendra proclaimed a thirteen-point agrarian reform programme, but no specific measures were put forth to implement what was proclaimed. A relatively elaborate and comprehensive agrarian reform drawn up in 1964 has been in operation for the last 24 years. The performance of this programme is analysed mainly from the point of view of changes in agrarian structures, viz., (a) the tenure structure, (b) the production structure and (c) the supporting services structure.

(a) In the tenure structure, the traditional forms of land tenure were gradually reduced to three, namely Raikar, Kiput and Guthi tenures. This was a move in a positive direction, since 95 per cent of the land is now converted into Raikar. Under this system, land belongs to the state, but individuals get occupancy rights to work on the land. This right is permanent, saleable, and inheritable as long as land revenue is paid to the state.

(b) In providing permanent security to tenants, out of the officially identified 1.8 million tillers, 0.2 million were issued with permanent tenancy rights. The number of tenant farmers was reduced from nearly 60 per cent before the land reform to 40 per cent. The land cultivated by tenant farmers before reform was 60 per cent of the total; this declined to 30 per cent after reform. This reduction in tenants by 20 per cent and in the area cultivated by 30 per cent suggests that either the owners occupied the land previously cultivated by tenants, or there was an increase in the number of tenants, or the size of their holdings was reduced.

/(c)

(c) The rent payable by the tenant to the landlord was in most cases 50 per cent of the gross produce even before land reform measures were initiated. The 1964 act provided some relief to only a small number of farmers. A sample survey conducted by the Ministry of Land Reform showed that after reform only 4 per cent of all tenants paid rent of more than 50 per cent.

The identification of land above the prescribed ceiling has not brought remarkable results. Only about 20 per cent of the expected land (50,380 ha of the expected 250,000 ha) was identified as excess land, of which 34,705 ha were acquired by the Government.

In Sri Lanka the Paddy Lands Act came into operation in 1958.

In 1956, about 40 per cent of the paddy lands, or approximately 400,000 acres, had been cultivated by some 300,000 tenant farmers. The Paddy Lands Act of 1958 afforded considerable relief to a large number of tenant farmers by giving them security of tenure and the right to cultivate without hindrance the land that was owned by others. The Act also terminated the payment of high rents to the landlords as the rents were determined under the provision of the Act. The Paddy Lands Act was instrumental in creating and organizing at the village level cultivation committees composed mostly of cultivators themselves who were to manage their own affairs governing agricultural activity.

The recent land reforms of 1972 and 1975 affecting the plantations did break up the big estates but did not succeed in systematically getting land to the small and marginal farmers and landless agricultural labourers within some framework of rural local organization. In fact, the experiments to settle the land with landless youth through the Electoral Co-operative and Janawasa (People's Settlement) have been abandoned in the interest of the plantation sector. The net result of these reform measures is that today 78 per cent of the tea acreage, 20 per cent of rubber acreage and 25 per cent of the coconut acreage belong to the state.

/Table 2.

Table 2. Land redistribution under land ceiling legislation in Bangladesh, India, Nepal and Pakistan

('000 hectares)

		Area
Bangladesh[a/]		
Total area settled under Raiyat	(1957/58-1972/73)	134
Total area acquired	(1956/57-1966/67)	69
Total surplus area	(1973)	295
Net cropped area	(1973)	9,098
India[b/]		
Total land redistributed	(1971)	493
Total declared surplus area		988
Net cropped area		239-368
	Land Acts and Rule	
Nepal[c/]		
Expected excess land		250
Identified excess land (actual)	1964	51
Acquired by the Government		35
Distributed to the allottees		21
	Under 1959 Reform	
Pakistan[d/]		
Total area disposed of	(1974)	384
Total land acquired by Government	(1974)	770
Total surplus area		Unknown
Net cropped area	(1965)	13,934
	ML order 115 of 1972	
Total area disposed of	(1974)	108
Total land acquired by Government	(1974)	385
Total surplus area	(1972 ceilings)	1,147
Net cropped area	(1974)	14,334

Sources: Net cropped area from following sources:
Bangladesh: International Bank for Reconstruction and Development, Bangladesh Crop Sector Review, vol. IV, Annex 8, table 2.3 (February 1976).
India: Central Statistical Organization, India, 1974, p. 44.
Pakistan: Ministry of Food, Agriculture and Co-operatives, Agricultural Statistics of Pakistan 1975, p. 141.

Notes: a/ Abu Abdullah, "Land reform and agrarian change in Bangladesh", The Bangladesh Development Studies, vol. IV, No. 1, January 1976.
b/ P.C. Bansil, Agricultural Problems of India (Delhi, Vicas Publishing House, 1975), p. 248.
c/ Country review paper on "Agrarian reform and rural development in Nepal", February 1978.
d/ Zubeda M. Ahmed (ed.), "Land reform in Asia, with particular reference to Pakistan, the Philippines and Thailand" (mimeo.), International Labour Organisation, Working Paper WEP 10/WPI (Geneva, March 1976).
e/ Under post-martial law reforms.

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The lessons from these attempts at legislative agrarian reforms are clear, if not new. The oligarchs of India, Pakistan, Bangladesh and Nepal have had wit and resource enough to get around these laws. The laws had ample loopholes to start with. In addition, implementation was essentially bureaucratic with no alliance between central and state administrations and the peasantry. In fact, the alliance was more often between the bureaucracy and the local elites. Lack of peasant organization and of institutional support prevented the potential beneficiaries from taking risks on their own. This is a difficult course of action when small farmers, tenants, and share-croppers depend on large landholders for employment, credit and security. On the other hand, such reforms have generally strengthened the rights of a minority of middle level tenants and owner-operators as well as increasing productivity in the short run through the delivery of technological inputs.

In Pakistan, for example, only 12 per cent of the land appropriated under the 1959 reforms went to farmers cultivating 2 hectares or less. Those already possessing more than one third of the redistributed land.[9/] The consequence often is the emergence of a new group of share-croppers, sub-tenants and seasonal workers, nullifying what little may have been achieved under the reform programme.

Within this iniquitous agrarian structure, the Indian attempt at revitalizing credit co-operatives saw impressive growth in both the number and membership of primary societies, as well as an increase in total borrowing from 3 per cent to 5 per cent. The institutional credit thus delivered, however, went mainly to the affluent section of the rural community. Similarly, voluntary co-operative farming and the establishment in every district of ten such societies for joint farming became facades for the association of the rich -- in many cases to evade land reform. The 1959 resolution of the Congress Party in India that the future agrarian pattern should be that of co-operative joint farming in which land should be pooled for joint cultivation, could thus mean "...either a deflection from the main issue of radical asset redistribution or, more cynically, a new confidence among the elite in their strength and ability to live with any resolution without any danger of its implementation. In practice, nothing happened except further strengthening

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9/ Akira Takahashi and Zobeda M. Ahmed, "Land reform in Asia with particular reference to Pakistan, the Philippines and Thailand" (International Labour Organisation, Geneva, 1977).

of service co-operatives, which acted as conduits to channel resources to larger farmers."10/

In Sri Lanka, the effort to provide institutional credit through village level co-operatives successively administered by the Land Commission (1949-1952), the Department of Food Production (1952), and the Department of Agrarian Services (1957), was plagued by repayment delinquency and the misallocation and mismanagement of funds. Since 1954 the government has bought paddy at a guaranteed price through more than 600 co-operative agricultural production and sale societies or through multipurpose societies. The building of institutional bases through subsidy and use of the same organization for the government delivery system resulted in their becoming extensions of the government bureaucracy with no staying power, capital of their own or viability.

The most heralded rural development programme of the 1950s was the Community Development Programme sponsored by the Ford Foundation in India, USAID in Pakistan, and the United States Operations Mission in Nepal.

The Indian Community Development Programme arose out of the recommendations of the Grow More Food Enquiry Committee in 1952. The Committee criticized the failures of the Grow More Food Product-on Campaign for touching only a fringe of the population, viz. the larger holders. Therefore, the new community development and national extension programme had to be more than just a conduit for technical and material aid to cultivators; it had to be a multipurpose programme touching all facets of rural life. Otherwise, it would not appeal to or challenge the interest of cultivators. The Committee also said that it would have to be of service to the millions of non-cultivator families living in rural villages. Thus, in 1952, a programme was inaugurated which within ten years had been extended to 370,000 out of India's more than a half million villages, with a total population of over 200 million. The programme had the following approach: (1) to assist each village in planning and carrying out an integrated, multi-phased family and village plan directed towards increasing agricultural production; (2) to improve existing village crafts and industries and to organize new ones; (3) to provide minimum essential health services and to improve health practices; (4) to provide regional educational programmes; (5) to provide recreational facilities and

/programmes;

10/ Wahidul Haque, Niranjan Mehta, Anisur Rahman and Ponna Wignaraja, "Towards a theory of rural development" in Development Dialogue (Uppsala, Sweden, 1977).

programmes; (6) to improve housing and family living conditions; and (7) to provide programmes for village women and youth.[11/]

Implementation of the programme was founded on the village level worker (gram sevok), a salaried government agent living in the community in order to organize self-help groups, provide material and technical assistance and to act as a link between state and community. The ideal sequence of events was envisaged as follows:

(1) systematic community discussions on the subject of felt needs;

(2) planning of an initial self-help activity;

(3) implementation by interested community members;

(4) fostering of "team spirit" and "group sentiment" to the point of planning a programme of self-help actions backed by government assistance.

Under the aegis of the newly created Ministry of Community Development, which was supposed to co-ordinate the services of all other involved ministries, districts of each state in India were divided into 200 village blocks each block covering up to 100,000 people. A district team was formed or representatives of the participating ministries and lower level teams worked at the block level under the authority of a Block Development Officer (BDO) employed by the Ministry of Community Development. The key local agent, the village level worker (VLW) was reaponsible for ten villages. The programme was thus a relatively low cost technical assistance and non-formal education effort aimed at harnessing the potential of rural communities by decentralizing the administrative structure and by actively seeking local participation in the development process.

The VLW, like the colonial rural reconstruction guides, collaborated closely with the local gentry and with the established or natural leaders. The VLW aimed at helping everybody, not by fighting for the weak against the strong but by uniting all of them, weak and strong, into a community. It was hoped that the VLW, acting as catalyst, would unite the villagers by discovering with them their common needs. Then he would lead them to a common endeavor and teach them to form councils and committees for the completion of projects. Much, of course, would be done by means of self-help, but occasionally the VLW would further encourage and stimulate the villagers by obtaining for them matching grants and technical assistance. The VLW would be a multipurpose agent representing all "nation-building" departments. He would combine the functions of missionary,

/organiz...,

11/ Albert Meyer and Associates, Pilot Project, India, 1978.

organizer, technician and patron. "Community development aspired to co-ordinate the activities of other departments, and follow an integrated approach. Its vision of development included the improvement of everything: social harmony, economic production, education, health and recreation."12/

The 1972 United Nations report on community development programmes during the 1950s observed that in almost all the countries studied, the

> "inadequacy or total absence of basic social reforms had the consequence of restricting the benefits of development to a relatively small number of the population. By-passed in the development process, there was little incentive for the population at large to become involved in community programmes, a vicious circle that adversely affected local development. Within this context, villagers were less forthcoming in volunteering for community public works programmes, which were increasingly viewed as benefiting only a select few." 13/

The Indian experience repeated itself in Pakistan, Nepal and Bangladesh (then East Pakistan). In Pakistan, (now Pakistan and Bangladesh), 94 development areas were opened. One village academy was set up in Bangladesh and one in Pakistan to impart training to village level workers in community development.

The inception of the Tribhuvan Village Development programme in 1952 in Nepal conforms closely to the Community Development Programme in India. At the national level, there was a Development Ministry; under it was the Tribhuvan Village Development Department which was jointly administered by Nepali and American co-directors. It had a small extension outfit in the fields of agriculture, co-operatives, youth programmes and social education. At the field level there were three geographical divisions into which the thirty-five districts, each under an official called Bada Hakim or "the big chief," were divided. Each district also had a small set of development officials. There was also a District Development Committee under the chairmanship of the Bada Hakim which included the district development officials and selected people's representatives such as members of parliament and local notables. While the function of this committee was limited to giving financial assistance to small local self-help projects of a public works nature, the Village Development Centres (VDC) were the mainstay of the rural development effort in the country.

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12/ Akhtar Hameed Khan, op. cit.

13/ United Nations, "Popular participation in development: emergency trends in community development" (1971), p. 3.

In the early stages the Centres were run by American managers with Nepali co-managers, the latter also on the payroll of the United States Operations Mission in Nepal. This system did not last long as the centers soon came under the management of Nepali District Officers employed by the government in Nepal. Nonetheless, because of the lack of experience of the Nepali administrators in the center as well as in the field, the dominant role of the American advisors remained.

Each center was generally manned by a small team of junior technicians in the fields of agronomy, animal husbandry, health, social education and youth programmes. They were expected to reach the people through a continent of Village Development Workers (VDW). Each of these worked in a group of ten to twelve villages through voluntarily constituted Village Improvement Committees, youth clubs generally organized in local schools, and individual farmers.

Because of several constraints such as a lack of resources, technological know-how useful to the villagers, adequate manpower and the required institutional structure, the programme contributed less in the area of delivering tangible benefits and more in impressing on the people the developmental orientation of the government.

With the incorporation of Indian assistance into the programme in 1958, and the subsequent selection of certain areas for implementation, some of the accoutrements of the Indian Community Development Programme were adopted. The rural development areas were called Village Development Blocks, its office the Block Office, and its chief the Block Development Officer. A Block Advisory Committee was also created in the Indian style, consisting of government functionaries and local notables.

Later, the position of District Development Officer was created and political workers of the ruling party, instead of regular civil servants, were commissioned for the job. The name of the national board itself was changed to Tribhuvan Village and District Development Board and the department was renamed Tribhuban Village and District Development. While the national board was advised by Indian advisors and attended to the issues affecting programmes in the Indian-aided blocks and districts, it also provided a general norm for American-aided blocks as well. American advisors were invited to attend its meetings occasionally.

/Although

Although the Nepalis were learning to live with this dual approach, parliamentary democracy was disbanded by the King in 1960 and the party-less Panchayat System of democracy began to take shape. Because of its pro-parliament policies, India finally withdrew from what later became the Panchayat Development Programme in Nepal.

Sri Lanka had a similar, though more peripheral programme, the Sarvodya Programme, modelled on the Gandhian rural utopia. Its theory was that the misery of the villagers was caused mainly by the greed of their rulers, the rich, and of themselves as well. It could be cured only by the sacrifice of self and service to others by everybody, rich and poor alike. With few needs and much love everyone could live happily again in self-sufficient little republics, which, presumably, the Indian villages used to be in the golden age. The missionary of the movement, the guide-philosopher friend, was the "constructive worker" who embodied its high ideals and showed the true path to the villagers. The constructive workers were social monks, their "ashrams" (Centers), modern monasteries.

Undoubtedly, the philosophy's contribution to popularizing feelings of national pride and identity were great. But this neo-monasticism seemed to avoid or to overlook important economic issues. As a matter of fact, as far as rural uplift is concerned, Gandhi's movement of constructive work has been only a little more effective than the official rural reconstruction sponsored by F.L. Brayne in colonial days. Very few areas were changed permanently or substantially by either. Nonetheless, significant conceptual legacies have been left by the Gandhians for community development planners - the concepts of the missionary "gram-savak" (servant of the village), the little village republics, and the bonds of love and sacrifice.[14/]

The Community Development Programme which began with a bang in India and which under American auspices was introduced elsewhere eventually ended with a whimper. In 1958 Indian evaluators of CD pointed out that the primary need of rural areas was institutional. Instead of building a lot of "brick and mortar" projects, as CD was doing, Panchayats and co-operatives should be organized or strengthened. However, with the colonial administrative framework remaining intact, local governments, Panchayats, remained dominated by the official and unofficial elites, and co-operatives more often than not became the vehicles of "genteel elitist corruption." Within the urban industrial growth model the role of the local councils and co-operatives remained

/subordinate,

14/ Akhtar Hameed Khan, op. cit.

subordinate, serving as receiving structures for the trickle-down patronage.

By the end of the decade India was ready for other, simpler, solutions. Rarely could a document find a more favourable moment for its appearance than the Report on India's Food Crisis and Steps to Meet It, produced in 1959. Its merit was its simplicity, dealing in understandable inputs (fertilizers, water, credit, extension services) and quantifiable outputs (tons of food grains) through technically sound relationships. To a country weary of "intangibles" like spirit of co-operation, involvement of the masses and quality of life, it was a welcome change to hard facts. The strategy rationalized and legitimized the withdrawal of the overextended state machinery from difficult areas from unresponsive people, and from intractable spheres to the comfortable sanctuaries of well-endowed areas, "progressive" farmers and technical questions. The retreat was thought to be an advance. If there were some uncomfortable questions of regional disparities, social disequilibrium and the rise of an elitist cult, they were answered by maintaining that development was the "art of possible." Any remaining doubts were dispelled by the momentous discovery of the high-yielding varieties (HYV) of cereal. HYV provided the means for the "New Agricultural Strategy," as it came to be known. As new varieties had been produced for all the major cereals, the technology was certified to be size-neutral, the strategy was expected to help reduce regional and vertical disparities.

It soon became apparent, however, that the facts were otherwise. The revolution was confined to particular areas and crops, and mainly to larger farmers who could mobilize the resources necessary for the purchase-input-intensive technology. Had the output increase kept up the initial momentum, these issues might have been ignored. The unexpected stagnation in the 1970s, however, reopened the entire question initially as a technical debate which soon broadened to include issues of equity, poverty and politics.15/

In the second section we will analyse these swings in the perception of rural development, country by country. Curiously, the technological solution of the 1960s was based upon the United States extension model in most of these countries. The poverty orientation of the 1970s again coincided with the World Bank's boldly advertising its learning process as it discovered, in turn, the small farmer, the marginal farmer, area development and the target groups.

/II.

15/ Wahidul Haque, et al., op. cit.

II. RURAL DEVELOPMENT PROGRAMMES/PROJECTS IN THE 1960s AND 1970s

A. INDIA

The new agricultural strategy, based on a technologically fueled and management operated growth model with an efficient delivery system, was introduced in India in six districts in 1960 and increased to 18 districts (out of a total of 300) by 1967-1968. The strategy, task, processes and instruments involved in the Intensive Agricultural District Programme are shown in detail in tabular form in appendix 1.

The impact of the Intensive Agricultural District Programme on agricultural productivity presents a mixed picture. Some evaluations found that the yield on demonstration plots was 30 per cent higher than on the control plot, showing the potential of an appropriate package of inputs and practices, although there was no significant improvement in yield in package areas compared to non-package areas. On the contrary, Mohan and Evenson's study shows that IADP had a large and significant effect on production. Aside from output, there was no significant positive result in respect to employment, income-distribution, or local participation. Class conflicts are discernible. In this respect the results of various investigations conducted to study IADP's performance are shown in appendix 2.

In any event, the IADP was extremely limited in coverage and was a boon only to certain regions and certain favoured classes. The new agricultural strategy could not stem the stagnation in rural agriculture in the early 1970s; poverty persisted and the misery in rural India was there for all to see.

The assumptions behind the Intensive Agricultural Development Programme were the same as those of the agricultural extension model in America.

> "First, research and education should be linked as was done in the old land-grant colleges (in America). Then, a class of progressive farmers should be created, who would gladly accept the findings of scientific research, and put the new technology into practice. They would soon emerge out of their subsistence cocoon, and try to maximise their profits by raising the levels of input and output. An extension agent, trained and guided by experts should be sent to the Village to demonstrate new techniques, first to local leaders. The demonstrations would soon convince the villagers. Larger and larger numbers would adopt the new methods and within a few years agriculture would be modernized." 16/

/Unfortunately,

16/ Akhtar Hameed Khan, op. cit.

Unfortunately, from 1950 to 1960, the adoption of improved methods was agonizingly slow. After 1960, with the invention of miracle seed, a green revolution in India seemed not only possible but imminent.

> "A dramatic increase in the production of wheat rice and corn did indeed take place, but not everywhere and not for everybody. It took place mostly in favourable regions, where flood and drought were under control and where a sufficient number of well-to-do farmers were present with enough enterprise and resources to secure the extra inputs -- seeds, fertilizers, credit, and machines. For instance, the green revolution spread quickly in the Punjab because that province already had the best irrigation system, and the largest number of affluent farmers with economic holdings. On the other hand, Bengal, afflicted by alternating flood and drought, and without many economic holdings, lagged behind. By 1970 it was seen that the so-called green revolution was a boon for favourable regions and favoured classes, but distressed regions and distressed classes could not reap its benefits immediately. Even in the favourable regions, the new rural entrepreneurs, preferring maximum profits to traditional obligations, evicted oil tenants." 17/

The Government responded at the end of the 1960s by sponsoring two agencies with the express purpose of providing institutional support to the small and marginal farmers and to landless labourers; the SFDA (Small Farmers' Development Agency) and MFLL (Marginal Farmers and Landless Laborers) Agency. The SFDA main tasks were to identify constraints facing the small farmers, support small irrigation schemes, introduce new seeds, inputs, and husbandry practices, and encourage a flow of credit at a subsidized rate (usually 25 per cent) from existing banks and co-operatives to small farmers. Credit incentives included financial and supervisory support to the banks and covering part of the risks (3 to 6 per cent of the loan advances), plus the cost for administering loans. The SFDA was set up as a semi-autonomous agency funded directly by the central government, with a membership composed of both district government officials and local representatives.

The MFLL Agency was organized at the subdivisional or block level to help "marginal" farmers with less than one hectare of land (whereas small farmers are usually classed as having 1-3 hectares each) as well as landless labourers through rural works programmes, development of homestead land and assistance for house construction. Marginal farmers were to be encouraged in dairy-farming, poultry, pig raising, sheep and goat rearing, fisheries, and in adopting such improved agricultural practices as land

/development,

17/ Ibid.

development, soil conservation, minor irrigation and horticulture. Again, the MFLL Agency was to act through existing institutions such as the commercial banks and co-operatives, this time with a subsidy of 33.33 per cent and support for distribution, processing and marketing. This Agency exerts more direct control than the SFDA.

According to recent evaluations undertaken of both agencies, their impact up to 1974 was limited in coverage as well as depth. Only about 2.3 million families in 46 of India's more than 300 districts have been affected by the two schemes, of whom only 0.4 million have received substantial benefits. Problems may be traced to several factors including the small, part-time nature of the staff, lack of co-ordination among government departments, and the practice of working through traditional banking institutions with conservative credit policies and through co-operative institutions dominated by the richer sections of the population. The richer farmers have circumvented the eligibility criteria by falsifying land records, while the definition of small marginal farmers in terms of land-ownership has excluded tenants in some places and allowed cultivators with large operating units to participate in others.

> "The experiences of both MFLL and SFDA show that it is not enough to set up an organization catering to a target group without first undertaking thorough changes in the social and political environment. As long as village society remains stratified and dominated by the richer groups, it is difficult to implement measures which solely cater to the need of the under-privileged." 18/

The target-group approach is in fact a modified form of centralized state paternalism which, through a dedicated bureaucracy, hopes to circumvent the rural power-structure and to channel programmes and benefits directly to the poor -- an example of the triumph of hope over experience.

Other attempts to help the rural poor in India have been to legislate minimum wages and to carry out rural works programmes including the DPAP (Drought Prone Area Programme), the scarcity Relief Programme (SRP) and the Crash Scheme for Rural Employment (CSRE). In the presence of surplus labour and population growth, it has been difficult to implement minimum wage provisions; village surveys in the late 1950s and 1960s indicated that agricultural labourers worked between 122 to 178 days per year. Rural works in road construction, irrigation, land reclamation and conservation have been criticized for

/for

18/ "Rural development: issues and approaches for technical co-operation", a UNDP Staff Study (mimeographed) (New York, 25 September 1978).

for being of poor quality, for encouraging corruption in the use of funds, and for further enriching the rural oligarchy and bureaucracy. They certainly have provided temporary relief to large numbers of agricultural labourers, but participation in their benefits and their impact on the creation of new production assets have been disappointing. Often these are reminiscent of the test-relief programmes of the old famine code. According to a study carried out by the World Bank, the annual average work-days generated per member of the labour force are 0.2 for DPAP. Even for India's Crash Scheme for Rural Employment which provided 178 million man-days of employment in total, the figure comes to only one man-day per member of the labour force. Average annual programme expenditures have been rather small in relation to GDP: 0.33 per cent for SRP, 0.15 per cent for CSRE, and 0.05 per cent for DPAP.19/

The major trends in India's rural development programmes are quite clear. Rural development is treated as a sub-sector of agriculture with certain additional employment creating activities. It certainly is not central to the national development strategy which follows the orthodox growth model. The technologies for agricultural growth are energy, capital, and import-intensive; resources for investment are seriously limited. Under conditions of distorted factor markets and unequal access to resources, the new technologies have undoubtedly proved more profitable to the larger landowners and led to greater concentration of assets, eviction of tenants and dependence on wage employment for a growing proportion of the farming population. The factor shares of increased output in such a situation are very much higher for land and capital (about two thirds), with only a small share for labour.

It is clear that the government has opted for a selective approach of "bettting on the best," both in terms of concentrating on the more favoured areas and on the larger, "progressive" farmers. The poor are to be helped through relief programmes, fiscal transfers and "target group" agencies such as the MFLL and SFDA. In the short run, this strategy paid off in terms of increasing total output and substituting for imports. Its deficiencies, however, are becoming evident. Adoption of new seed varieties is declining as the number of favourable opportunities declines. New tensions are being generated by growing regional and local income disparities, and by the creation of "surpluses" through shrinking of market demand even for foodgrains in a process that has had too narrow a productive base.

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19/ S.J. Burki et al., "Public works programmes in developing countries", World Bank Staff Working Paper No. 224.

B. BANGLADESH

The Comilla experiment and the integrated rural development programme (IRDP)

Increased landlessness and increasing rural poverty took on fresh urgency with the creation of Bangladesh. The search intensified for ways of making rural development institutions more effective in increasing agricultural production activity and in ensuring an equitable distribution of the gains from higher productivity. This awareness of the need to focus on the problems of specific target groups - the landless and the small farmer - led to a new emphasis on Comilla type co-operatives such as those established in the middle 1960s. The Comilla project is a forerunner of the now fashionable integrated area development programme. The basic elements of the Comilla approach included:

(a) creation of a system for co-ordinating the activities of various government departments in a local development centre - the Thana Training and Development Centre (TTDC);[20]

(b) a village co-operative system for small farmers linked at the thana level in a central co-operative association (TCCA), usually a two-tier system;

(c) the Rural Works Programme with decentralized responsibility for project identification and management at the thana level;

(d) the Thana Irrigation Programme - again using the thana as the unit for the programming and implementation of irrigation investments, digging canals, sinking of tubewells where an adequate supply of surface water is not available, and for organizing the supply and servicing of lift irrigation equipment to co-operative irrigation groups responsible for the management of water distribution and payment of water charges.

The TTDC is a critical element in the provision of administrative infrastructure necessary for an effective rural development programme, conveniently bringing together and providing possibilities for easier co-ordination of the activities of different ministries and agencies involved in agriculture and rural development. The TTDCs are spreading throughout Bangladesh under the Integrated Rural Development Programme (IRDP), established in 1970 to

/replicate

20/ Thana is the lowest administrative unit of the central government equivalent to a county with an average size of 100 square miles and a population of 100 to 150.

replicate the Comilla-type rural development programme throughout Bangladesh. By 1977-1978, the programme had expanded to cover 250 of the 415 thanas of Bangladesh. However, to locate the lower level units of government agencies in one place is not itself a sufficient condition for effective co-ordination, and coverage in terms of the provision of services for a population equivalent to a large city, but highly dispersed and with poor communications, must be considered minimal. Another function of the TTDC is to train leaders selected by the village society. The departmental officers of agriculture, animal husbandry etc., are to be the trainers. The change agent at the village level will be village group leader.

The minifundista character of Bangladesh agriculture has made the organization of the rural population not only for the supply of credit but also for the provision of inputs and the organization of the use of irrigation facilities an accepted part of public policy. The central elements of the Comilla approach were the agricultural co-operative societies - Krishi Samabay Samiti (KSS). The societies were intended primarily as a vehicle for the small farmers to accumulate savings and receive financial support through loans to finance agricultural inputs and investments that would free them from the grip of local money lenders. In terms of numbers, by 1978, the programme had led to the establishment of 26,000 societies with over 700,000 members, an average of less than 30 members per society compared with an average of perhaps 150 cultivating families in a village and 10 million cultivating households in the whole of Bangladesh.

Experience in the original Comilla project area and in its extension through the IRDP has underscored the elusive nature of the goal of egalitarian development pursued through local institutions in a society which is still hierarchal and where, although agricultural holdings are small, the land is still unequally distributed. The landless have been virtually excluded from the KSS, and membership in the societies is typically skewed towards those with relatively larger landholdings. The leadership of each society has also been dominated by the most powerful members of the village community. Where the KSS are the focus for input supply and credit at subsidized rates, and, benefitted from more secure supplies through periods of instability and scarcity of inputs, particularly fertilizer, the existing village power structure has come to play a major role in allocating these scarce resources.

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In retrospect, it seems naive to have assumed that, without the disadvantaged groups of rural communities organizing to act for themselves or without a prior radical redistribution of land, the local elites would not continue to be the powerful people in the new institutions. However, the heightened awareness of the issue of social constraints is itself a practical lesson of the Comilla experience which was less obvious two decades ago.

IRDP and increased agricultural production

In reviewing the entire period since partition of India it is possible to recognize three phases in the evolution of agricultural policy and its impact on agricultural production in what is Bangladesh today.

The first period, from 1949 to 1960, was one when agriculture was neglected and priority given to industrialization. Exchange rate policies were used to systematically extract surpluses from the export oriented jute production for industrialization, particularly in the west wing. Agricultural production languished in part also because of the absence of technical improvements. The second period, from the middle 1960s to 1970, saw a major thrust in agriculture for the first time. Specific components of the production policy pattern consisted of:

(1) an emphasis on the expansion of irrigated winter rice cultivation to cushion the risk and uncertainty of monsoon rice production which was subject to frequent natural calamities;

(2) the supply of production inputs, particularly improved seeds, fertilizer, pesticides, and irrigation water all at subsidized rates to encourage innovation by the farmers;

(3) provision of supervised credit;

(4) special institutional experiments for co-operative organization (the two-tier co-operatives discussed above for distributing the inputs).[21]

The introduction of high-yielding variety in Bangladesh did not result in a dramatic increase in national foodgrain production. At a micro-level, however, in certain IRDP Thanas rice production did increase substantially as a result of making irrigation, fertilizers, credit and extension education available to KSS members. In Comilla Kotwali Thana, the site of the intensive

/rural

21/ Ministry of Agriculture and Forests, Government of the People's Republic of Bangladesh, Bangladesh Country Review, World Conference on Agrarian Reform and Rural Development, May 1978.

rural development effort, yields of the Aman crop have been consistently more than double the national average. Following the introduction of high-yielding varieties (HYVs) in the mid-1960s, and the rapid increase in mechanized irrigation with deep tubewells and low lift pumps, the impact on the dry season paddy crop (Boro) has been even more marked. Between 1967 and 1974 Boro yields in Comilla Kotwali Thana increased by 123 per cent compared to only 52 per cent in the country as a whole. In recent years Boro yields there, have been approximately double the average for Bangladesh. Members of the co-operatives and non-members alike had adopted the new technology (table 3). Similarly, data on comparative yields of members and non-members in Natore and Gaibanda TCCAs in north-western Bangladesh show that even adjusting for farm size, it is by no means clear that KSS members are more productive than non-members (table 4). This is one of the most important indicators of the diffusion impact of the Comilla approach. Total agricultural production has however risen less fast than might have been expected because maximizing total production is often contrary to the interests of the powerful farmers who control the KSSs. With regard to the most important input, i.e., irrigation, for example, the sources (deep tubewells and low lift pumps) are often located optimally in relation to the dominant farmer or group of farmers' land. In Bangladesh in 1974-1975, for instance, the "average" 2 cusec deep tubewell or low lift pump only irrigated 21.5 acres when technically such a machine is capable of irrigating 60 acres of winter rice or 150 acres of wheat (IBRD, 1978:67).

Access of different size classes of farmers to co-operatives

Despite the early success in Comilla involving small farmers in the management of co-operatives, with the rapid expansion of the IRDP programme, KSSs and TCCAs have become dominated by surplus farmers who monopolize the available credit (but are largest defaulters on loans) and enjoy the best access to irrigation.

Moreover, with the rapid expansion of the KSSs and TCCAs throughout Comilla District by 1968 and to other districts after independence, supervision of the co-operatives became more and more diffuse. By the early 1960s, medium and large farmers, attracted by the high profits to be made from HYV cultivation and the increased amount of credit available, came to dominate the KSS/TCCA system throughout the country with large farmers in nearly all the important management positions. In Natore and Gaibanda TCCAs in 1975, for instance,

/Table 3.

Table 3. Comparison of KSS members' and non-members' cultivation practices, Comilla Kotwali thana

Year	Percentage respondents using HYV		Percentage deviation from recommended fertilizer use in seers		Percentage respondents using insecticide		Quality of weeding	
	Member	Non-member	Member	Non-member	Member	Non-member	Member	Non-member
1966	5.5	0	-114	-164	50	15	1.05	0.98
1969	88.9	64.3	+103	- 15	93	63	1.32	1.43
1972	96.9	94.4	+ 15	- 54	100	61	2.47	2.50

Source: Malek (1973:19).

Table 4. Comparison of KSS members and non-members per acre paddy yield: Natore and Gaibanda TCCAs, 1973

Size class (acres)	Yield in maunds			
	Member		Non-member	
	HYV	Local	HYV	Local
Landless	52	21	46	25
0 - 0.9	54	20	55	22
1.0 - 2.4	55	22	51	21
2.5 - 4.9	52	26	59	20
5.0 - 6.9	53	22	61	21
7.0 -	58	18	53	18
Average	54	22	54	21

Source: Abdulla, et al. (1974:164).

Note: 1 maund = 82.31 lbs.

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the average landholding for KSS managers (chairmen, managers and model farmers) was 6.16 acres compared to 4.20 for KSS members and 2.85 for non-members. Seventy-eight per cent of managers owned more than 2.5 acres compared with only 35 per cent of the general population (table 5). A similar picture has been found in Comilla Kotwali Thana (BARD 1977:5) and in a "Twenty-thana study" conducted by IRDP (IRDP 1974). The co-operatives have become, in the words of the Planning Commission "closed clubs of kulaks" (CPRB 1974:II)[22/] despite the fact that the small farmer with under two acres was able to maintain the productivity of his farm at a higher level than larger farmers. The degree of commercialization of his farm increased sharply, as did his per capita income (table 6).

The domination of large farmers is even more marked at the level of Thana Central Co-operative Associations which allocate credit and other inputs among KSSs and which are the links between the primary societies and national funds.

These generalizations have been substantiated in a number of studies. A survey of selected parts of Bangladesh clearly shows that it is the large farmers who get cheap institutional credit (between 52 and 59 per cent of all such credit being received by the 32 per cent of households with holdings of more than average size). Further, KSS "managers" (chairmen, model farmers and managers), themselves normally large farmers, borrowed nearly five times as much as ordinary members (Tk 7,762 each as opposed to Tk 1,588), even though their holdings were only about one and a half times as big. Further, large farmers (and particularly co-operative "managers") were the biggest defaulters, average overdue loans being Tk 1,534 per person compared with only Tk 97 for ordinary members.

Income distribution and the investment of the new surplus

Incomes in the IRDP thanas have increased as a result of the HYV-based rural development strategy. However, these increases have accrued primarily to large and medium farmers and have not been invested in productive or employment-creating activities. Moreover, the surplus farmer's class position in relation to the state has been strengthened, making it difficult to follow certain policy options such as the removal of subsidies.

/Table 5.

22/ S.J. Jones, "Rural development in Bangladesh", paper presented to ENDA Conference on Basic Needs, Applied Technology and Agricultural Reforms, Dacca, 7-16 March 1979.

Table 5. Increase in productivity of co-operative farmers in Comilla Kotwali thana 1963/64 - 1969/70

Size of farm	Rice yield lbs/acres			Rice sold as percentage of production			Percentage increase per capita income
	1963/64	1969/70	per cent	1963/64	1969/70	per cent	
Under 2 acres (n-54)	2,345	4,164	78	10.7	25.1	134	70
2.0 - 3.5 acres (n-39)	1,819	4,098	125	18.9	31.7	68	54
Over 3.5 acres (n-29)	1,424	3,193	124	22.9	36.7	60	52
Average	1,985	3,817	98				

Source: S.A. Rahim (1972: 36, 74).

Table 6. Landownership and co-operative membership in Natore and Comilla TCCAs: 1973

	Acres owned				
	0.0-0.9	1.0-2.4	2.5-4.9	5.0-6.9	7.0+
Non-members (n-468)	44.6	29.9	13.8	15.7	5.7
Members (n-492)	13.1	31.9	25.4	13.6	15.8
Chairmen, managers, model farmers (n-135)	5.8	15.5	30.3	15.5	32.5
Total population (n-1,095)	25.6	29.0	21.0	10.5	13.6

Average land owned: non-member 2.8 acres, member 4.2 acres, managers 6.16 acres.

Source: Abdullah, et al. (1974: 151).

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In two field studies in Comilla and Mymensingh districts, for instance, it was found that 69 per cent of land sales are by small farmers (owning less than 2.5 acres) and 79 per cent of land purchases are by large farmers (owning more than 5 acres). Alternatively, investment is channelled out of agriculture to be used in urban-based business, grain hoarding and speculation, or agro-industry like rice mills. The latter, while giving a good return on capital, cause massive unemployment among the poorer women who carry out most of the post-harvest processing in rural areas using traditional tools and manual labour.

Employment effects of IRDP

Although IRDP had considerable impact on agricultural productivity it has done little for the landless and near-landless who comprise nearly 50 per cent of the rural population. Employment generated as a spinoff from HYV cultivation and by rural works programmes is insufficient to combat the growing unemployment and poverty.

Estimates of the impact of the ("production-oriented") rural development expansion programme on agricultural employment rest on assumptions that are made about the likely increase in cereal production and on the output-employment elasticity of that production. Bearing these qualifications in mind, Clay and Khan (1977) reviewed most of the empirical studies on the output-employment elasticity of foodgrain production that have been carried out in Bangladesh, and some from neighbouring countries. They conclude that, depending on the particular circumstances, the figure will normally lie between 0.2 and 0.5. That is, for a 100 per cent increase in production as a result of adopting HYV technology, the demand for agricultural labour will go up between 20 and 50 per cent only. Consequently, the HYV production-oriented strategy will do little to combat un- and under-employment among the landless. Furthermore, and perhaps paradoxically, such a strategy is likely to become self-limiting because unless such employment is created there may be an absence of effective demand for foodgrains.

A "green revolution" strategy alone, then, is unlikely to combat the problem of rural under-employment and poverty in Bangladesh. In intensive IRDP areas it might contain the growth of under-employment over the next few years, but elsewhere in the country, where cereal production growth rates are likely to be far lower than 4½ per cent per annum, under-employment is likely

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to increase dramatically. There are two major public works programmes in Bangladesh - the Rural Works Programme (RWP) and Food for Work (FFW). The number of man-days of employment created by the RWP in the 1970s is less than half that of the 1960s, but it has been substantially augmented recently by FFW. In 1976/1977 the two programmes together generated 100 million man-days of work. If it is assumed that the average RWP or FFW worker works for 56 days,[23] 2.8 million jobs were generated. With 7.3 million households which are either landless or own less than one acre in rural Bangladesh, this would mean that 40 per cent of "at risk" families were helped. Physical achievements too have been considerable. Over 14,000 miles of canals, embankments and roads, and over 300 ponds have been re-excavated, constructed or repaired by FFW alone between 1974 and 1977.[24]

The substantial achievements of the programmes in capital formation and employment creation were hampered by weaknesses in design and implementation. Many projects were poorly designed and selected, resulting in high cost investments and/or low efficiency. As the programme was funded not from local resources but in effect from central government grants, there was little concern for cost efficiency. Hence narrowly defined interests with the power to influence project identification decisions were frequently prepared to tolerate low social returns where private returns were high. Local initiative creates other problems, in that careful central co-ordination is required to ensure consistency between projects in areas such as flood control and road development. The practice of payment in kind (usually wheat which was available on concessional terms), although attractive for reducing local resource costs, has proved administratively cumbersome. In addition, it offered considerable scope for misappropriation of resources and forced workers to trade to achieve a balanced consumption pattern.

On balance the programmes have demonstrated considerable potential for employment creation through rural works. As a means of providing supplementary employment, the programme must cope with the fact that in addition to periods in which extensive labour intensive works are feasible, there remain short periods - such as the two months before the harvesting of the main rice crop - during which there is widespread unemployment. Experience has shown that the problem with rural works in Bangladesh is one of modalities; the

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23/ Estimate by the Institute of Nutrition, Dacca, Bangladesh.
24/ Bangladesh Times, 6 December 1977.

essential role of rural works in capital formation in a densely settled poor society is not in question. However, rural works programmes do not represent a satisfactory alternative to assuring the landless a guaranteed share in the income stream from the basic source, land, where the objective is to eliminate rather than simply to alleviate poverty.

The Thana Irrigation Programme was conceived as an integrated programme bringing together the investment elements of the scheme for tubewell irrigation, provision of low lift pumps for exploiting surface water, and making use of the administrative infrastructure developed under the Rural Works Programme. Its aim was to increase productive capacity through investment in irrigation and to facilitate the full utilization of existing irrigation systems. The programme in various guises has had a substantial impact on production, particularly of irrigated rice in the dry winter season. The basic unit for the management of irrigation is again a co-operative group, but evaluations have found that many of these groups are co-operative in name only and that in practice the systems are managed by one or two of the more powerful landowners who organize irrigation investment and use in their own private interests. Most of the irrigation systems installed under the Irrigation Programme are operating at a fraction of the technical feasible level: between 1960 and 1974 irrigation capacity was expanded by 350 per cent but the estimated area irrigated increased by only approximately 150 per cent. Evaluations have also found that the distribution of benefits is again skewed towards the larger landowners within a community.

All these experiences have resulted in a growing concern that rural development programmes deliberately aimed at improving the condition of the poor could indirectly have the opposite result. As the more powerful elements within rural communities monopolize the additional income accruing to investments and irrigation infrastructure and to the provision of subsidized inputs, rural society may be further polarized. The limited information available on land transactions suggests that the beneficiaries of technical change are using their higher incomes to consolidate their position, buying out many marginal farmers reduced to forced sales of land in periods of natural disaster, and foreclosing on those encumbered with debts.

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These sobering experiences have sparked many new experiments to find alternative forms of group organization and ways of mobilizing rural people. The disappointing performance of social investments in irrigation and institutions is undoubtedly accounted in part by the failure to ensure broad-based participation. There have been some experiments in group farming around irrigation systems immediately following the War of Independence. There have also been schemes for income sharing between landlords and tenants which would enable the latter to gain sufficient benefits to make it worth-while to use modern inputs. These experiments have relied heavily on external leadership and supply of inputs and have had mixed results. The weak position of the tenant in a land hungry society, the problems of access to credit and fertilizer for those without collateral, and the disincentives for the share-cropper who is obliged to surrender half the produce is forcing attention towards the issue of occupancy rights for the tiller.

Since 1975 there has been a major attempt to overcome some of the defects of the previous rural development strategy through a Swanirvar (self-reliance) movement, organized in selected villages on a country-wide basis. The movement aims at mobilizing local resources to obtain greater production through the use of underutilized local resources and through the exploitation of past investment. The movement has encouraged the preparation of village development plans and has had some success in increasing agricultural production. Furthermore it has taken many senior government officials into the village, a significant achievement in itself. However, it remains to be seen how significant the scope is for mass mobilization and participation by all sections of the village community where there exists no commonality of interest. Indeed, increased efficiency of the operation of irrigation system can bring considerable social benefit, but at a cost to those who previously were able to use social investments for their own private advantage. Extensive provision of institutional credit for the samll farmer undermines the position of the larger landowners, who are also typically the money lenders.

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The recent Ulashi irrigation-cum-drainage project has also demonstrated the potential for mass mobilization with active support from government, local participation and some local sharing of the costs of development. The Government of Bangladesh is intending to expand this type of project over the two year plan period 1978-1980. The absence of genuine local participation and of local sharing of costs have been major weaknesses in most of the past programmes for rural development, but the conditions for broad-based local involvement are difficult to meet. The rural poor have little to give beside their labour and cannot be expected to contribute enthusiastically to investments which are for the benefit of others. The powerful are unlikely to pass up the opportunity to acquire a significant share of the benefits where they participate in decisions, especially where they are expected to contribute to capital formation.

The Bangladesh experience underscores the fundamental truth that prior solutions must be found to the issues of land ownership and use, as a precondition for an effective rural development strategy for self-reliance and an effective attack on rural poverty and injustice.

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C. PAKISTAN

Despite rapid urbanization, Pakistan's society continues to be predominantly rural. Most of the population considered below the poverty level lives in the rural area, and there are indications that, while the urban poor have experienced some percentage decline in recent years, the condition of the rural poor has deteriorated further.

This situation was not caused by colonialism alone. The early choice of development strategy was a significant factor as well. Economic development plans were initiated in the 1950s on the fundamental premise that the rural surplus - capital and labour - could be used to create high-growth modernization centres in the hope that the latter would ultimately absorb the surplus labour and generate a return flow of resources to the rural sector. Accordingly, fiscal, commercial and agricultural price policies were designed to skew the terms of trade in favour of the manufacturing sector. The resulting pattern of development could not but be lopsided, with resources flowing out of the rural sector at a disproportionately higher rate than the surplus labour.

The realization dawned in the 1960s that the mounting capital requirements of high-growth urban centres could not be met by traditional agriculture: there was a need for similarly high-growth agriculture. This realization coincided with the seed breakthrough which ushered in the green revolution. This "revolution" permitted large increases in output and income, primarily through the rural Punjabi entrepreneurs, without substantial resource transfers to agriculture. Furthermore, the seed, fertilizer and tubewell technology was sufficiently divisible to benefit medium as well as large farmers. But the rank of the smallest farmer was benefited to a much lesser extent and with a lag. In the 1970s, resources began to flow back to agriculture in the form of higher procurement prices, though this too benefits the big and middle-level farmers with a marketable surplus. Although respectable output growth has been achieved in the past three decades, it happened in such a manner as to leave the majority of the rural population on the periphery. The present situation in the rural areas indicates the irrelevance of the trickle-down theories of development; it also presents a number of objective conditions which will have to be rectified through a new and more meaningful approach to rural development.[25/]

/Towards

25/ Taken from Jawad Azfar, "Local level planning in Pakistan", Expert Group Meeting, Bangkok 1978.

Towards an approach to rural development

Most previous attempts at rural development have been confined to special, rather peripheral, programmes. In sequential order, Village-Aid, Rural Works Programmes, Basic Democracies (local government), Integrated Rural Development Programme (Comilla type) and "Peoples" works programme have been tried. Conceptually, these programmes have been merely weak attempts to aid the trickle-down process.

The conceptual inadequacy stemmed from a basic failure to understand that rural development is not just a matter of special, ad hoc programmes, fed by block provisions of funds. It must represent an organically unified part of the whole socio-economic development effort. Rural and urban development cannot have contradictory objective functions. The purpose of rural development is to bring rural areas into the mainstream of development. Therefore, care must be taken to avoid urban-rural antagonism.

There is some advantage in building upon the complex, interrelated mechanisms and processes in rural transformation and urban growth. The economy gets its major exports, raw materials and food from the rural sector. A steady and increasing supply of these requires an economically active, socially stable and psychologically boosted rural populace. The key elements in a strategy to foster these, therefore, will be the satisfaction of basic needs, income redistribution, and employment promotion. Economic aspects of the plan will include better terms of trade and improved infrastructural facilities.

The Fifth Plan of Pakistan emphasizes rural development as a major constituent of total national effort. Priority has been given to rural welfare within limits set by resource availability, inescapable national commitments and constraints on capacity to reach target groups. The over-all development programme emphasizes agriculture at the centre of rural development. Attention has been focused on the basic service needs of the rural sector through programmes of delivering potable water, sanitation, basic health care and school education. In addition, the infrastructure base of the rural society are to be improved through a network of rural roads, village electrification and better communications. These programmes are expected to improve rural productivity in general and, supported by a skill development programme, to facilitate agro-industrialization and development of rural crafts.[26/]

/Past

26/ Government of Pakistan, Planning Commission, The Fifth Five Year Plan (1978-1983), June 1978.

Past experience trying to provide these services through centralized departments has met with little success. First, the national or provincial forum has been too remote and large to recognize the need for small, divisible projects. A university, college or high school is more likely to be demanded than the ten and twenty primary schools that are consequently displaced. Secondly, even when funds are allocated, reappropriations are often made during the year in favour of indivisible projects. Thirdly, centralized construction agencies are reluctant to work in remote rural areas. Costs are unnecessarily high because standards, materials and supervisory staff are imported from urban areas. This often makes over-all targets so expensive that they are ignored. Fourthly, the maintenance and repair of facilities constructed to urban specifications and with imported materials require frequent visits by the urban based staff. Finally, the staffing of the new institutions presents similar problems. With this in mind, a new rural development organization is being proposed in the Fifth Plan with the following strategic considerations in view.

(1) The effectiveness of the implementation of rural development programmes has to be ensured.

(2) The construction arrangements for numerous small and widely spread physical projects have to be supplemented with a system using indigenous skills and technology appropriate to rural areas.

(3) The functional overlaps and operational malco-ordination among a large number of various agencies involved lead to wasteful duplication, delayed commissioning of facilities, and even project drop outs.

(4) Co-operative associations in rural areas are considered a major instrument for mobilizing local initiative and active involvement. Specialized training is required for the successful running of these associations.

(5) The development of rural areas is a massive challenge which no government can meet within its limited resources, without voluntary local contribution in the form of land, labour and cash and generation of involuntary local resources in the form of taxation.

(6) Community participation and supervision is necessary not only at the planning and construction stage but also in operation of the projects. Moreover, it must help to create an environment whereby each individual develops a stake in the preservation and stability of the institutions being developed.

(7) The new institutional arrangement must absorb the existing staff of PWP, IRDP and local government in a more constructive system by giving them functional responsibility for specific programmes to be undertaken in the rural areas.

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(8) The awareness of the rural communities regarding the projects and allocations through a suitable publicity campaign would help to improve implementation of development programmes.

(9) The local institutions must build up some rudimentary capacity in project planning and preparation to lay a sustainable basis for the ultimate evolution of local planning organization.

New institutional framework

In view of the above considerations, a new institutional framework is being proposed at the local level to support the rural development strategy. There are two models to be adopted according to local circumstances. The first model has only two tiers. The top tier will be a District Council, at district level, with the Markaz Council providing the bottom tier. The Deputy Commissioner (the district administrator) will be the chairman of the District Council. However, day-to-day responsibility will rest with an Additional Deputy Commissioner (Development), who will be trained in planning and development work. The Council's composition will be sectoral in nature, bringing together all development departments at the district level. The Markaz Council, with jurisdiction over 20 to 30 villages, will be headed by a Rural Development Officer, and all the line departments at the Markaz level will be represented on it. Both the District and the Markaz Councils will have their own secretaries.

The second model consists of three-tier system. At the lowest level there will be a Union Council with about 10 villages. The intermediate tier will be Markaz, covering an area equivalent to Thana or about 50 to 75 villages. The District Council will constitute the top tier. Within the above broad concept of rural development and popular participation, and subject to the performance of minimum functions, the provincial Governments would be left free to devise their own arrangements with regard to number of tiers, additional duties and staffing patterns. The functions of the proposed institutions may thus vary from province to pronvince, but generally the following functions are envisaged:

(a) Construction and maintenance of primary and secondary schools, basic health units, rural health centres, rural roads, drinking water supply and sanitation systems and miscellaneous small-scale local schemes.

(b) Co-ordination and over-all monitoring for the total development programme for the district/markaz.

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(c) Facilitating the formation of associations for the performance of tasks, that can be done only collectively or can better be performed collectively, for example, consumer associations for distribution of electricity, farmers' associations for watercourse management, associations for distribution of agricultural inputs, co-operative marketing associations etc.

(d) Development of rural skills and promotion of small-scale industries, handicrafts, rural workshop etc.

(e) Mobilization of local resources through voluntary contributions, taxes on property, consumption and other sources identified by the community (except trade), and fees and charges for the use of utility services provided by the Councils such as water supply, sanitation etc.

This institutional framework will be interwoven with elected local self-governing institutions to ensure the fullest realization of the creative energies of the rural populace.[27/]

Public sector investment in rural development which crosses all sectors is estimated to be 29 per cent of the total public sector programme during 1978-1983. Of this, the bulk is for Agriculture and Water Development (21.7 per cent of the public sector programme). The growth strategy in agriculture however continues to base itself on the rural entrepreneur and the commercial farmer, with a further emphasis on mechanization, particularly tractorization. Thus, there is a contradiction between the expressed intent to involve the rural majority in the development process and the actual investment proposed for achieving production goals.

Further, the new institutional framework envisaged in the plan gives the district administrator the role of co-ordinating the discrete activities planned and implemented by development departments on a sectoral basis. Thus the tax collecting and administrative roles of the district administrator are combined with the new roles of development initiator and co-ordinator. The result is a bureaucratic style of work characterized by orders and constraints issued from the top rather than an effort to go to the villages to understand the local situation and to work with local community and departmental agents to obtain positive support for any project/programme. The elite district administrator and technical experts are generally alienated from the peasantry and often have a contempt for them. Similarly, professionals such as engineers and doctors do not enjoy professional discussions with semi-literate or illiterate peasants.

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27/ Ibid.

D. SRI LANKA

The fundamental characteristic of the economy of Sri Lanka in the pre-independence period was the existence of two clearly demarcated agriculture sectors: the rural economy and the plantation. The production of commercial crops was the mainstay of the plantation economy which was controlled and administered by the colonists. These commercial crops included tea, rubber, and coconut. In the rural sector, subsistence agriculture prevailed with the emphasis on paddy production. Since the over-all economy was run by the colonist as a commercial proposition, the main investments were made in the plantation sectors. All economic activities were contred around the plantation in order to maximize both production and profit, while the rural sector was primarily concerned with self-sustenance.

This two-sector growth model, favouring plantations at the expense of the rural sector, encouraged capital investment, reduced potential employment, and skewed income distribution between the two sectors and among different classes of people. During this period, the bulk of the country's exports went to Britain as there was no internal market for the plantation commodities. On the other hand, almost all the consumer goods, including food, drinks, tobacco, raw materials and manufacturing goods were imported from Great Britain.

Since Independence, the development of peasant economy has been based on policies emphasizing (1) access to modern education for the rural people to encourage technological change and to enable them to participate in the political and production process; (2) continuous development of national programmes to support the rural sector; (3) provision of a wide range of welfare services including subsidies on essential mass consumption items used by the rural poor; and, (4) greater security of tenure and more equitable distribution of land to lessen the income disparities discussed in section I.

Educational and technological reform

Since 1946, Sri Lanka has put into effect a scheme of free education for the entire population. The greatest beneficiaries of this scheme have been the children from rural areas. Its main purpose was to create an educated work force able to meet its own social aspirations. However, rapid development was necessary to accommodate the skills and aptitude of the large numbers who were leaving the schools and universities. The problem of the kind of education

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imparted in the system became apparent when youth primarily from the rural areas found themselves unemployed after graduation, saw few opportunities for absorption in the economy as it existed, and erupted in the insurgency of 1971.

Agricultural and rural development programmes - productivity oriented

The Six Year (1948-1953) Development Plan emphasized self-sufficiency in food production in order to reduce dependence on imports and to increase rural incomes. Increased food production was to be achieved primarily by providing incentives and by increasing productivity of land in both wet and dry zones. The principal method chosen to encourage production involved the formation of agricultural production co-operatives. Measures were taken to provide adequate credit to the co-operatives from the co-operative unions and banks.

Efforts at agricultural or rural development have since seen three distinct transitional phases: (a) colonization schemes; (b) Divisional Development Council schemes; and (c) Integrated District Rural Development schemes.

(a) Colonization scheme. The basic purpose of this scheme was to develop large areas of certain river basins in the virgin dry zones into prosperous agricultural settlements. This was supported by an extensive and intricate irrigation structure to increase agricultural productivity schemes like Kala Oya and Walawe Ganga etc. were developed under this conceptual framework. Recently the "Mahaveli Ganga Development Programme" was drawn up to provide irrigation facilities to 900,000 acres of land and to bring 30,000 acres of new land under cultivation. In addition, the construction of five major reservoirs is expected to help irrigate more than 340,000 acres of new land.

The main point of interest of these colonization schemes in the present context is that they were very much "integrated area development schemes" and that as a consequence of this activity by the government, prosperous and self-reliant farming communities have been established.

(b) Divisional Development Council Scheme (DDC). The basic philosophy of this programme was to introduce local planning in restricted areas so that local resources, skills and knowledge could be harnessed for economic development. In 1970 and 1971, DDCs were set up for each local authority. They were expected to meet once a month to identify local resources and development opportunities. The approach assumed that the people's participation in planning exercises would be attained through their representatives. Before 1977, a total of Rs 135 million was released for 2,600 projects.

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Unfortunately, the entire programme was jeopardized by the expectation of mass participation in development activities through the political process, without making programme implementors accountable to the political/administrative system. In addition, due to shortcomings in pre-investment planning, evaluation and follow up there was misallocation and misutilization of capital and human resources. The most serious flaw in the programme, however, was that attention was concentrated solely on starting projects. Little attention was paid to ongoing economic activities in each area.

(c) Integrated District Rural Development scheme (IDRD). Discontinuation of the DDC programme does not mean that the Government gave up the idea of a local level planning approach. In 1976, Sri Lanka launched an area-based sub-national programme with one district for each project in order to supplement aggregate national plans. Programmes were specifically tailored to each district and developed after careful examination of the resources, problems and potential of the area. One notable feature of this IDRD programme is the decentralized administrative and decision-making process.

At present there are three districts in which IDRD programmes have been undertaken, encompassing 2.2 million people with a total area of 3,324 square miles. The three districts included in the programme are (a) Kurunegala district; (b) Matara district; and (c) Hambantota district.

The main investment components of the programme include (1) provision of necessary production inputs; (2) building of infrastructure facilities (i.e., roads, embankments, fertilizers, stores); and (3) better extension facilities.

The results of all these agricultural programmes and policies are quite evident as production of rice has increased from 27 million bushels in 1956 to 48 million bushels in 1961/62 and to 77.4 million bushels in 1970. Increased production was achieved primarily by raising per acre average paddy yields from 39.4 bushels to 51.3 bushels in 1970. These higher yields were obtained by increased fertilizer use, adoption of better agricultural practices, and provision of effective incentive prices to the farmers.

Welfare services and income distribution

The large number of social and economic measures put into operation by successive governments in two decades have contributed to a sharp reduction in the inequality of income distribution. These welfare measures include subsidies

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on essential foodstuffs (particularly rice), free education, free medical care and subsidized prices for public transportation and housing. Welfare expenditures, in fact, constituted about 41 per cent of the National Budget in 1974. Higher prices for agricultural products and better social amenities made available through an implicit welfare scheme have made a definite improvement in the living standards and in the quality of life in rural communities. In addition, higher income and wealth taxes, capital levies, ceilings on income, land reform and minimum wage legislation have also contributed to the equalization of income. The improvement in the quality of life can be seen through changes in demographic variables attained over the last 3 decades. The death rate has declined from 21.1 per thousand in 1945 to 7.7 per thousand in 1976. Similarly, the infant mortality rate has fallen from 263 per thousand in 1935 to 48 per thousand in 1976.

Land reform

In the pre-reform period the land distribution pattern in Sri Lanka was highly skewed. In the paddy sector, where the bulk of the peasantry was concentrated, 35 per cent of the operators were share-croppers and 64 per cent of the operators had cultivable holdings of less than one acre. Only 6 per cent of the cultivated paddy area in 1972 was held by agents who owned more than 25 acres. In the plantation sector, the land distribution pattern was even more skewed: 71 per cent of the tea acreage, 46 per cent of the rubber acreage and 25 per cent of the coconut acreage was held in plantations of 100 acres (table 7).

Table 7. Size-composition of holdings under the principal crops in Sri Lanka, 1972

Size group	Tea	Rubber	Coconut	Paddy
0 to 10 acres	107,700 (18)	208,000 (31)	580,000 (50)	1,115,000 (80)
10 to 25 acres	...	...	...	...
25 to 100 acres	66,500 (11)	157,800 (23)	293,000 (25)	190,700 (14)
Over 100 acres	423,400 (71)	308,700 (46)	290,500 (25)	95,800 (6)

Source: G.H. Petris, 1978.

Note: Estimated acreages, with respective percentages shown in parentheses.

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The process of land reform consisted of two phases: the first phase was designed to acquire excess land held by individuals. A total of 563,411 acres of land was acquired by the state, of which 41.5 per cent consisted of tea, rubber, and coconut plantations; 31.9 per cent was uncultivated land and only 3.2 per cent consisted of paddy land.

The second phase involved the acquisition of all the lands owned by public companies. Here the Government has expropriated about 417,975 acres of land. Lands acquired under the two reforms were redistributed, mainly to (1) state corporations and government departments, (2) various co-operative organizations; and (3) individual cultivators (table 8).28/

Although the reforms have had a positive impact on productivity, they failed to make significant structural changes in land distribution patterns for two reasons. First, indirect control over large tracts of peasant agricultural land, such as the control through the temples, was exempted from the reform. Secondly, the interests of the aristocracy were not affected as the land ceiling was not low enough to cover agricultural land directly owned by the aristocratic families.

As a result of this, the long-term socio-political objectives of the land reform, namely the creation of a new agrarian block linked to a rural middle class was not attained. This was due mainly to the continuing dissatisfaction among the rural bourgeoisie irrespective of the concessions granted to it. In 1977 the rural bourgeoisie, and the bulk of the peasantry led by it, reigstered a protest against the ruling class by voting for the UNP, an alternative party of the ruling class, which managed to present itself not only as an opponent of the regime but also as an alternative to the status quo.

/Table 8.

28/ The process of distributing land to the co-operatives is now being reversed, allegedly in the interest of efficiency.

Table 8. Reallocation of land taken over by the Land Reform Commission, early 1977

(in acreage)

	Phase I	Phase II
S.P.C.	33,547	162,984
Usawasama	64,900	2,648
Samupakara Janawasa	-	234,073
Land Commission's Department	48,816	835
Managed by D.L.R.S.	70,722	-
Livestock Development Board	27,700	1,197
Coconut, Rubber and Tea Research Institutes	9,773	-
Coconut Cultivation Board	2,261	9,903
Under G.A. (A.G.A., D.R.O., G.S.)	29,913	-
Conservator of Forests	1,364	-
Productivity Committees	4,208	-
Sri Lanka Cashew Corporation	165	-
Sugar Corporation	2,829	-
Multi-purpose Co-operative Societies	2,735	-
Special Co-operative Organizations	1,878	-
District Development Projects	1,025	-
Distributed among villagers	52,215	-
Any other methods of dispersal	31,000	-
Extent yet to be taken over	-	-
Electorate Level Land Reform Co-operatives	178,360	6,317
TOTAL	563,411	417,957

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E. NEPAL

Rural development programme in Nepal

Following the fall of the autocratic and hereditary Rana regime in 1951 came a decade of experimentation with parliamentary democracy based on political parties. Following that, the country embarked upon the Panchayat System of democracy which rises from grass roots institutions called village Panchayats, through district Panchayats to the national legislature or Rastriya Panchayat. The latter is characterized by a lack of political parties and by the direct role of the Crown.

In these institutions, political and development roles are fused. Village Panchayats and district Panchayats not only function as electorates in this three-tiered democracy but also are assigned development responsibilities. For example, the village Panchayats are entrusted with 36 different functions in the fields of agriculture, industry and social services.

The administrative structure of the country also fuses into the political structure. During the 1960s and 1970s, attempts were made to decentralize development planning and administration to the district Panchayat, in order to reflect local aspirations. However, mutually contradictory approaches proved not to be conducive to planning exercises at the local level. These included a bureaucratic distaste for being answerable to the Panchayat and a tendency for the line ministries to function in a compartmentalized manner, from the top down.

The District Administration Plan, drawn up in 1974, has been unable to reverse the centralized administration. As it stands, planning in most of the sectors is done separately at the national level. These nationally set targets are later disaggregated and handed down to individual districts, and it is these targets which are incorporated into the so-called district development plan. This plan is later presented to the District Panchayat and the District Assembly for their approval which they simply cannot withhold. In sum, what was supposed to be a planning exercise at the district level turns out to involve only the implementation of plans and targets formulated at the national level. Planning on the basis of locally identified needs and potential remains elusive. In addition to the District Administration Plan, a number of rural development programmes are currently

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being implemented under the Panchayat Sector Programme. These programmes are based on the premise that by making use of the long standing tradition of local self-help in the society, additional resources can be generated, although in the form of voluntary labour mostly, for local development efforts which could go a long way in maximizing development investment in the country. For this purpose the fifth Five Year Plan has provided for an investment programme worth 253 million rupees under its maximum programmes for Panchayat sector activities which are expected to generate an additional 934 million rupees locally. The sector consists of the following programmes.

(a) Local Development Department Projects. The first category of Panchayat sector activities consists of the projects undertaken by the Local Development Department of the Ministry of Home-Panchayat. These consist of small local self-help schemes such as drinking water projects, foot bridges, small irrigation channels, school and Panchayat buildings, tracks and trails etc. These projects are implemented by the district and village Panchayats with grants made available by the Department. The Panchayats are responsible for eliciting matching contributions of voluntary labour, money and materials from the villagers according to a proportional standard set by the Department on the basis of the nature of the project and the resource endowment of the area.

(b) Remote Area Development Programme. In order to provide additional impetus to the development of basic services in the remote (mostly northern) areas of the country, there exists a special committee called Remote Area Development Committee within the LDD which includes also non-official members from those areas. The committee, often by personal visits by its members, solicits projects from those areas and allocates its resources on the basis of specific consideration for specific districts and projects. These decisions are then handed down to the LDD which implement them through the respective district and village Panchayats.

(c) Hill Transport Development Project. For a number of years, the World Food Programme has made assistance available to Nepal under its Food for Work Programme. This assistance consists of such edible commodities as dry milk powder, flour, oil etc. The Government has formulated a committee, also within the framework of the LDD, to construct major hill tracts and trails according to the demands of the local people. Payment to the workers is made in kind, each worker getting just enough for a family of

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five. No voluntary labour is stipulated under this programme. Although the district office is the centre for project implementation, decisions to construct a certain hill tract or trail are made at the committee level and are handed down to LDD for execution.

(d) Regional Intensive Development Programme (RIDP). An important project under the Panchayat sector is the Regional Intensive Development Programme (until recently known as the Small Area Development Programme - SADP). Aimed at tackling multisector problems and needs of several interior inaccessible hill districts, the SADP was launched in 1976 in certain hill districts (20 in the current plan period). The SADP was conceived as a strategy to develop growth poles from which development might spread to neighbouring areas. It is basically an area development programme.

While this approach presupposes resource concentration on a selective basis, through a so-called mutually reinforcing integrated programme, the rationale behind it was to make development more visible and more rapid than it had hitherto been. It was further stated that if the available resources were thinly spread around, the opportunity to build up critical masses at a relatively few places and to let them generate self-augmenting externalities would be missed. A weakness of this programme is that it transcends traditional lines of various ministerial authorities and as such is quite unwelcome to departmental officers at the local level.

(e) Rasuwa Nuwakot Rural Development Project. The objective of this project was to develop part of the hill districts of Rasuwa and Nuwakot by increasing agriculture and livestock production, improving water control and irrigation systems, and extending credit, approach roads, health centres, cottage industries, and a forest management system. The project has been in operation for two years.

Although all the elements required for successfully running a rural development programme were envisaged in this project, the project is still grappling with problems of co-ordination and management. Inter-ministerial co-ordination is envisaged through a project co-ordinator in the central office of Home and Panchayat Ministry and by establishing a co-ordinating committee. Implementation at the district level is carried out by a district secretariat in accordance with an annual District Development Plan. Yet the motivation and stamina required to run this type of comprehensive rural development programme in an integrated manner are still to be generated.

/(f)

(f) Integrated Hill Development Project. Another "integrated" project is the Integrated Hill Development Project, built around a Swiss road assistance project. This project is managed jointly by a Nepal Technician and a Swiss manager. It is organized outside the regular district administrative structure and proceeds with the support of so-called "natural" leaders of the villages, identified and trained by the project management.

(g) Agriculture sector projects. Side by side with the "integrated" projects, the sectoral programme for agriculture is carried out through the Agriculture Development Bank, the Agriculture Input Corporation (an extension network organized in 75 districts), and Sejha Sangotha (co-operative organizations in 30 districts). Still it has been felt that the small and marginal farmers lack access to governmental services and supplies. Being socially and economically weak, these farmers can participate only marginally, if at all, in the village organizations such as the co-operatives and Panchayats.

Two pilot projects of the Small Farmer Development Programme - one in Dhanusha representing the plain areas, and another in Nuwakot representing the hill areas - were launched in 1975, with the specific objectives of studying their living conditions, ascertaining their credit needs, helping to increase farm productivity with improved practices, and augmenting family incomes by creating employment through rural and agri-business employment opportunities. The strategy devised concentrates on organizing small farmers into workable and homogenous groups so that they can receive developmental services from the delivery agencies. Its aim is to encourage farmers to participate in productive joint efforts to augment their incomes by means of suitable farm technology specially devised for them. Efforts also are made to create employment generating subsidiary activities like cottage industries, poultry, buffalo farming etc., with full backstopping from the project.

These projects were first conducted after an area survey to identify the situation and number of small farmers and the nature of support needed for their development. Homogeneous workable groups of from 5 to 15 members are formed to work out a plan for improved farming and a programme for income producing subsidiary activities. In all, 312 small farmers from Dhanusha and 665 from Nuwakot have been organized into 32 and 37 groups,

/respectively.

respectively. This represents 14.2 per cent of the small farmers of Dhanusha and 39.5 per cent of Nuwakot's small farmers.

Besides better farming practices, subsidiary activities include buffalo, sheep, goat, pig and calf raising as well as wall construction and bullock cart transport for marketed goods. Social activities include family planning, adult education, and health and sanitation. Finally, saving schemes have been made available in local co-operative societies so that farmers may open saving accounts as soon as they begin to generate income.

It has been found by observation that small farmers receiving loans for the purchase of buffaloes have been receiving an annual net income of Rs 908. However, farmers receiving bullock carts have been getting a net annual income of Rs 2,400. Also encouraging is the fact that the groups receiving financial assistance are no longer using traditional money lenders. People are constructing latrines, improving health care, and adopting family planning devices. Unfortunately, however, all these changes are yet to be supplemented by an appropriate farming system for these small farmers or by a proper backstopping structure for subsidiary jobs. The programme is, therefore, still to be perfected.

With the reasonable success of these two pilot projects, both in the plain and hill areas, 15 more projects have recently been put into operation in different parts of the country. The programme remains, however, very marginal to the national development plan and almost totally dependent upon external support.

III. AGRICULTURAL PRODUCTIVITY, INCOME DISTRIBUTION AND GOVERNMENT POLICY INTERVENTION - A MACRO REVIEW

The last section provided a selective account of the shift of rural development policies and programmes undertaken in the countries under review during the 1960s and 1970s, and assessed their performance at the micro-level. This section will concentrate on a macro-level evaluation of the programmes over a broad spectrum of activities, including agricultural productivity, income distribution and its relationship to government investment, and other policy interventions.

/Agricultural

Agricultural productivity

Perhaps the most significant impact of rural development programmes affecting agriculture in India, Pakistan, Nepal, Bangladesh and Sri Lanka during the past decade has been the shift from traditional agriculture to modern agriculture. The resulting productivity growth, however, is reflected only in the production of staple food crops like rice and wheat. Moreover, its impact is regionalized and concentrated in the favoured project areas. With the exception of wheat in Pakistan and Nepal and of rice in Sri Lanka, therefore, the over-all impact is hardly overwhelming. Table 9 shows the percentage of area currently planted with the high-yielding varieties of rice and wheat. Considerable variation in the rates of adoption occurs, both among and within countries. The variation appears to be related more to physical environment and access to resources than to any other factors.

The percentage of total rice area under HYV ranged from 64.5 per cent in Sri Lanka to 15.6 per cent in Bangladesh. In respect to wheat, the percentage of total area under HYV ranged from 75.5 per cent in Nepal to 23.1 per cent in Bangladesh.

While reviewing changes in yield and production of rice in these countries, it is useful to examine changes during the decade before the spread of the new varieties as well as during the more recent period (table 10). In the mid-1960s, prior to the introduction of the new varieties, the general level of rice yields in these five countries was very low compared with those in the Republic of Korea, for exmaple.

Since 1965 Pakistan and Sri Lanka have registered annual increases in yield exceeding 2 per cent.

In table 10, countries have been ranked according to the growth in rice yields in the periods 1955-1965 and 1965-1973. In Pakistan (mainly in the Punjab), which heads the list, rice is grown under conditions ideally suited to the new varieties - controlled irrigation and a dry climate. Yields increased 6 per cent a year and total rice output grew at 7.5 per cent a year. This was associated with a remarkably rapid increase in the percentage of the rice area planted with high yielding varieties, from less than 1 per cent in 1967 to 50 per cent in 1971-1972. On the other hand, other regions of Pakistan and Bangladesh experienced very slow growth in yield. Similarly,

/Table 9.

Table 9. Estimated area planted with high yielding varieties (HYVs) of rice and wheat up to 1973-1979a/

Country	Rice		Wheat	
	Area planted with HYVs (000 ha)	Percentage of total rice area	Area planted with HYVs (000 ha)	Percentage of total wheat area
Bangladesh	1,584.8	15.6	29.1	23.1
India	9,716.2	25.6	10,911.0	57.4
Nepal	205.1	17.1	206.8	75.5
Pakistan	636.5	42.1	3,472.3	59.0
Sri Lanka	368.4	64.5		

Source: Dana G. Dalrymple, "Development and spread of high varieties of wheat and rice in the less developed nations" (Economic Research Service, United States Development of Agriculture in Co-operation with United States Agency for International Development, August 1976),pp. 110, 112, 114-115.

Note: a/ Unofficial estimate.

/Table 10.

Table 10. Paddy fields and annual compound growth rate of paddy area and yields in selected ESCAP developing countries

Country	Paddy yields (ton/ha)			Annual growth rate (percentage)			
				1955-1965		1965-1973	
	1955	1965	1973	Area	Yield	Area	Yield
Bangladesh	1.4	1.7	1.7	1.10	1.98	0.60	0.45
Burma	1.5	1.6	1.7	1.93	0.94	0.13	0.71
India	1.3	1.5	1.7	1.26	1.30	0.61	1.86
Indonesia	2.0	2.4	2.7	0.90	0.51	1.84	2.76
Malaysia (west)	2.1	2.5	2.9	3.42	1.97	4.67	1.72
Nepal	0.9	1.9	1.7	1.71	8.24	3.02	-1.42
Pakistan	1.3	1.5	2.4	3.25	1.21	1.11	6.44
Phillippines	1.2	1.3	1.6	1.24	1.10	0.86	2.52
Republic of Korea	2.6	4.3	4.9	1.08	4.90	0.12	1.82
Sri Lanka	1.6	1.9	2.3	2.88	2.10	3.16	2.37

/on

on a country-wide basis, the Indian experience has been similar to that of the entire region, but the national average obscures the marked contrasts among the different parts of India. North India compares favourably with Pakistan in both adoption of new varieties and yield gains, while in the most water-logged areas of eastern India, yields remain low during the wet season and local varieties still predominate.

Employment and labour force

Of the five countries under review, four (India, Bangladesh, Sri Lanka and Pakistan) are densely populated. In countries where manpower represents the major potential resource, any growth strategy must rely on maximum utilization of that resource through the adoption of labour intensive technologies. However, it was found in all five countries that government strategies favoured adoption of highly capital intensive technologies in agricultural sector as well as in import-substituting industries. This is despite the fact that a significant proportion of the labour force is either fully or seasonally unemployed. Foremost among the mechanical technologies that were introduced in the agricultural sector were tractors and harvesting, threshing, milling and irrigation equipment. As a result, the relative importance of the labour force in agriculture has declined in all five countries during the past decade, while the absolute size of the labour force increased at an annual rate ranging from 1.1 per cent in Nepal to 1.9 per cent in Bangladesh (table 11).

The labour force absorption rate in the non-agricultural sector has increased between 2.1 and 5 per cent in these countries annually. At the same time, the relative position of agricultural labour has declined considerably also. This is partly because real wages in some countries like Bangladesh have deteriorated (from 100 in 1965 to 64 in 1974) and partly because even if the real wage went up in some countries the consumer price index for agricultural labour increased even faster. For instance, the real wages in West Bengal and Tamil Nadu increased to only 106 and 116 compared to increases in consumer price index of 179 and 234, respectively (tables 12 and 13).

The rural works programmes in these countries were primarily disaster relief or marginally income-augmenting in nature. They were planned and implemented in isolation, not as a part of broader strategy either to

/Table 11.

Table 11. Growth rates of labour force and share of agriculture in selected ESCAP developing countries, 1965-1975

Country	Compound growth rate of labour force			Agriculture's share of labour force	
	Total	Agriculture	Non-agriculture	1965	1975
	(percentage per annum)			(percentage)	
Bangladesh	2.8	1.9	(4.9)	73	67
India	1.5	1.4	1.9	73	72
Nepal	1.7	1.1	(7.4)	94	89
Pakistan	2.4	1.5	4.5	73	67
Sri Lanka	2.2	1.3	3.2	54	50

Note: a/ Figures in parenthesis appear to be especially questionable. The "non-agricultural" labour force was estimated by deducting agricultural labour force from the total labour force, so part of the explanation may be that for some countries the figures for the non-farm force contain a substantial number of unemployed workers.

/Table 12.

Table 12. Index of real wages of agricultural labourers (1965 = 100)

Year	Bangladesh[a/]	India[b/]			Pakistan[c/]	Sri Lanka[d/]
		Punjab Haryana	West Bengal	Tamil Nadu		
1960	93	-	-	-	-	98
1961	102	92	120	97	-	99
1962	96	92	99	108	-	98
1963	106	-	-	-	-	99
1964	120	79	104	102	103	98
1965	100	100	100	100	100	100
1966	86	78	99	93	105	99
1967	86	90	87	100	113	98
1968	92	108	97	104	113	107
1969	100	117	102	99	116	100
1970	101	117	98	112	125	96
1971	-	107	106	116	125	96
1972	72	-	-	-	130	110
1973	71	-	-	-	-	93
1974	64	-	-	-	-	-

Source: Bangladesh: Edward J. Clay, "Institutional change and agricultural wage in Bangladesh" (Agricultural Development Council, Dacca, August 1976) (mimeo.).

Notes: a/ Deflated by cost of living index (for agricultural labourers)
b/ Deflated by consumer price index
c/ Deflated by index of prices received by farmers
d/ Deflated by cost of living index (for male plantation workers)

/Table 13.

Table 13. Consumer price index for agricultural labourers in India[a/]

(1965-1966 = 100)

Year	All India	Punjab[b/]	West Bengal	Tamil Nadu
1965/66	100	100	100	100
1969/70	122	142	116	133
1970/71	122	141	121	122
1971/72	127	149	124	127
1972/73	142	165	128	134
1973/74	179	198	162	169
1974/75	233	244	199	283
1975/76	201	223	179	234

Source: Labour Bureau, Government of India. Quoted in Reserve Bank of India Bulletin, Vol. 30, No. 11, November 1976.

Notes: a/ Annual data relate to the year July-June.
b/ Including Delhi, Haryana and Himachal Pradesh.

/create

create new rural assets or to attack the fundamentals of the unemployment problems. The physical, budgetary and political constraints inherent at conception in these programmes made them ineffective as instruments for providing large scale employment opportunities in the rural areas. The basic characteristics and available data on selected public works programmes in south Asia is in table 14.

Rural poverty and income distribution

Rural poverty is closely linked to income distribution which in turn is related to the distribution of productive resources. Sufficient evidence exists to show that poverty is widespread in developing countries and that an overwhelming majority of the poor are in the rural areas. According to a World Bank estimate, 415 million people (about 40 per cent of the total population representing the developing market economies of Asia) lived in conditions of absolute poverty in 1969. About 355 million (85 per cent) of these were found in rural areas.29/

Rural poverty is particularly widespread in the five countries under review. Table 15 gives an overview of rural poverty for selected years in three of these countries. It must be noted that any definition of poverty is bound to be arbitrary. Generally, measurement of poverty starts by defining a poverty line or subsistence level; an estimate is then made of the number of people living below that level. A recent study shows the extreme sensitivity of these estimates to small changes in the assumed poverty line. Intercountry comparisons are of doubtful validity because the definition of the poverty line is arbitrary; some calculations are based on the concept of relative poverty which is even more subjective; thus, trends are difficult to detect. Nevertheless, the estimate in table 15 indicate the extraordinary magnitude of the problem in the countries under study.

Notwithstanding the mixed trends in the estimates show in table 15, there is a general consensus that the rural poverty problem has worsened

/Table 14.

29/ World Bank, The Assault on World Poverty, 1975. Absolute poverty was defined as a per capita income of $US 50 or less at 1971 prices. This measure is, of course, subject to well-known limitations relating to living costs, measurement of home consumption etc. and in particularly limited in terms of intercountry comparisons. Nevertheless, it is a useful tool for establishing a benchmark and for within-country estimation.

Table 14. South Asia: Characteristics of selected public works programmes

Country		Name of programme	Duration	Nature of unemployment	Target group	Country's population density in 1965 (pop. km^2)	Programme classification a/	Annual average worker days employment generated by public works (millions)	Average annual programme expenditure as a percentage of GDP	Expenditure on wages as percentage of total programme expenditure
Bangladesh	(1)	The works programme (WP)	1962-present	Seasonal: estimated at 30% of available worker days	Rural poor	456	Income augmentation	28.8	0.57	63(1962-1967) 16(1971-)
India	(1)	Crash scheme for rural employment	1971-1974	Seasonal: estimated at 40% of rural labour force	Most needy	153	Income augmentation	178.0	0.15	76
	(2)	Drought prone areas program (DPAP)	1970-present		None		Income augmentation	37.9	0.05	50
Pakistan	(1)	Rural works programme (RWP)	1963-1972	Underemployment estimated at 27 per cent	Poor surplus agricultural labour	51	Income augmentation	4.4	0.19	30

Source: World Bank, "Public works programmes in developing countries: a comparative analysis", Staff Working Paper No. 224, February 1976.

Note: a/ The main objective of income augmenting programmes is to supplement the normal earning activities of those they employ, usually in rural areas. They generally take account of seasonal employment variations. This objective distinguishes them from disaster relief works to replace earning opportunities destroyed or reduced by natural calamity, and from long-term employment programmes designed to absorb structural unemployment.

/Table 15.

Table 15. Estimates of rural poverty

DMC	Definition of poverty per capita income	Period	Rural population as percentage of total population	Rural population (in millions)
Bangladesh	Based on a food bundle of 2,100 calories and 45 g of protein	1963/64	88	49.9
		1966/67	62	37.9
		1968/69	79	50.7
		1973/74	94	64.0
India	Rs 240	1960/61	60	214.2
	Rs 360	1968/69	60	249.1
		1969/70	54	226.0
		1970/71	48	207.3
Pakistan	Rs 300 (at constant 1959-1960 prices)	1963/64	61	23.5
		1966/67	60	24.8
		1968/69	62	26.7
		1969/70	60	26.5
		1970/71	55	-
		1971/72	58	-

Sources: Bangladesh: M. Alamgir, "Poverty, inequality and social welfare: measurement, evidence and policies", Bangladesh Development Studies (April 1975). India: A. Vaidyanathan, "Some aspects of inequalities in living standards in rural India" cited in D. Kumar, Changes in Income Distribution and Poverty in India: A Review of the Literature; World Development, vol. 2, No. 1, January 1974, pp. 31-41; NCAER, Changes in Rural Income in India 1968-1971 (New Delhi, December 1975). Pakistan: T. Alauddin, "Mass poverty in Pakistan: a further study", Pakistan Development Review (Winter 1975).

/considerably

considerably in the south Asia region during the past decade. This view is supported further by data on employment and the growing landless labour force. The basic problem seems to be the restricted access for a large group of the population to productive resources in particular and to profitable employment opportunities in general. Thus absolute economic growth must be accompanied by the relative improvement for certain groups. Otherwise, disadvantaged groups cannot use the new technologies and are discriminated against by the existing institutional framework. Growth and equity thus appear to be linked in a "trade-off" sense. However, in alternative institutional structures, a higher degree of equity can complement the achievement of growth objectives as appears to be borne out by the East Asian experience.

Rural poverty is closely linked to income distribution and particularly to the distribution of productive resources. Generally, the distribution of incomes is very unequal in most Asian developing countries. The Gini coefficient, a measure of income dispersion, approaches 0.44 in Bangladesh to 0.29 in Pakistan to the estreme (table 16).

In most of the countries 20 per cent of the people receive approximately 50 per cent of the national income, while the lowest 40 per cent of the people receive less than 20 per cent of the income.

/Table 16.

Table 16. Income distribution in rural and urban sectors

Country		Lowest 20 per cent	Lowest 40 per cent	Middle 40-60 per cent	Highest 20 per cent	Highest 5 per cent	Gini coefficient
Bangladesh							
Rural:	1963/64	7.8	19.2	15.5	43.1	17.2	0.35
	1968/69	10.4	23.6	16.6	37.0	13.1	0.27
	1973/74 b/	-	-	-	-	0.44	-
Urban:	1963/64	4.7	13.1	12.5	55.2	30.5	0.50
	1968/69	8.3	19.2	14.6	45.9	20.6	0.37
India							
Rural:	1964/65	7.5	19.3	15.4	44.6	21.9	0.37
	1967/68	4.7	13.0	13.0	53.1	24.6	0.48
	1970/71	6.4	17.1	15.1	46.6	-	0.38
Urban:	1964/65	5.6	14.6	12.1	53.8	30.4	0.48
	1967/68	5.2	14.4	13.4	52.1	26.8	0.46
Pakistan							
Rural:	1963/64	6.8	18.0	16.5	43.0	17.0	0.36
	1970/71	9.2	21.9	16.9	38.6	15.0	0.29
Urban:	1963/64	6.1	15.8	13.6	50.7	26.4	0.44
	1970/71	7.7	19.3	15.3	44.7	20.4	0.35
Sri Lanka							
Rural:	1963	3.7	12.5	14.1	51.0	21.7	0.47
	1973	5.6	17.1	16.5	43.0	16.6	0.37
Urban:	1963	3.5	10.7	11.6	58.3	31.1	0.54
	1973	5.3	16.2	15.7	45.5	19.2	0.40

1 Source: Calculated from data contained in Shail Jain, Size Distribution of Income: A Compilation of Data (IBRD, Washington D.C. 1975).

/Investment

Investment in agriculture

The dismal picture of the agriculture sector in terms of growth rates, employment and income distribution is exacerbated by the low rate of investment in agriculture. In Bangladesh, the proportion of total public investment in agriculture has plummeted from 33.9 per cent in 1972 to 17.9 per cent in 1978. In Pakistan it has declined from 29.9 per cent in 1967 to 10.7 in 1974, in Sri Lanka from 17.7 per cent in 1967 to 11.6 per cent in 1975. The only exception is Nepal (table 17).

In sum, direct government investment in agriculture has not been at all in proportion to the number of people who depend upon the sector for sustenance and for their livelihood. Public capital formation in the sector did receive some increased emphasis in the higher growth economies. Unfortunately, data published by the countries regarding other forms of capital formation under government initiative and/or incentives, as well as the sectoral allocation of private savings for domestic investment, is much too incomplete for analysis.

Price and income policies

One of the most important areas of government intervention in all countries has been agricultural prices. As food deficit countries in the region aspired to self-sufficiency, they emphasized domestic production of foodgrains. Raising foodgrain prices was considered to be a means of raising farm income and hence an incentive for increased production. At the same time, the high proportion of household income spent on food generated concern about the welfare of the consuming public in the face of food price increases. This, coupled with the high cost of price support programmes, caused governments to seek different types of intervention in the foodgrain markets via control of imports, domestic food procurement, and public distribution activities. These policies were mainly worked out for rice and wheat. The concentration on foodgrains is understandable, but it also shows the lack of integration of nutritional and ecological concern in the creation of agricultural incentives. Governments have also employed various measures of subsidizing inputs as an alternative incentive for increased production.

Due to the complexity and diversity of Asian foodgrain policy formulation, it is difficult to discuss the range of foodgrain price policies. However, we have attempted to indicate some key issues of south Asia's experience during the past decade.

/Table 17.

Table 17. Government investment in agriculture as a percentage of total government investment

Country	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
Bangladesh	-	-	-	-	-	33.9	34.1	28.6	26.4	20.89[a/]	19.89[b/]	17.92[c/]
India	-	-	14.7	14.4	14.3	14.7	12.7	12.3	-	-	-	-
Nepal	14.7	13.2	11.5	16.8	15.1	15.8	21.9	17.4	-	-	-	-
Pakistan	29.9	38.7	26.6	27.0	26.8	25.2	18.8	10.7	-	-	-	-
Sri Lanka	17.7	18.5	19.6	16.5	14.6	13.8	20.3	15.5	11.6	-	-	-

Source: ADB Key Indicator (October 1976), and appendix I.8.1

Notes: a/ 1975/76
b/ 1976/77
c/ 1977/78.

/Foodgrain

Foodgrain policy

Foodgrain policy appears to have become the new hobby horse of the "donor community". This is quite understandable in that "equity considerations", the need for incentives for generating local income in the rural areas through production, the impact of the introduction of modern agricultural practices, and the recognition of an earlier "urban/import substitution" oriented strategy has highlighted the contradictions implicit in the import of food and the growing of food. There are no easy answers in that the political stability of most governments rests on the "foodgrain policy" issue in two principal ways. First, in the economies of Asia a significant escalation in the foodgrain price can topple a government. Second, the mobilization and expenditure of local resources is intimately linked to foodgrain policy in that the sale of imported foodgrains is a convenient (but unsatisfactory) substitute for texation and the procurement of food to maintain and stimulate production is a drain on the exchequer. This latter point has only recently been appreciated.

In sum, foodgrain policy, which should really read "food or agricultural policy" since other crops, fish, and livestock should also be taken into consideration, has been and is a key ingredient to rural development. Because of its "macro and political implications", it has in the past been insufficiently linked to rural development policy.

The "equity" failure of the green revolution in Asia forced the blindness to be removed from the "foodgrain policy" issue. The large farmer and the urban/rural issues and benefits could no longer remain isolated from rural development. To put it in a bureaucratic context, the Secretary of the Finance Ministry and the Deputy Chairman of the Planning Commission and the Secretary dealing with external affairs now has to treat "rural development" seriously and not as a sop to the masses, the do-gooders, and the aid-givers, as has largely been the case in the past. This policy confrontation is all to the good. However, it could readily become counter-productive because there is no perfect solution and the temptation to make amends for the past is great and would be costly.

Thus, within the framework of this paper, let it be sufficient to state that in the past an equity-oriented food policy has been a neglected area. For each country it comprises a key element in the rural development process. And, finally, an intelligent and flexible food and agriculture policy, when related to poverty-oriented rural development could provide investment opportunities not only for increases in agricultural income but also for increases in agriculture-related incomes which do not require access to land.

/Education

Education and health

Essentially the significance of education for rural development lies in its contribution to the factor endowments level of the population. Education as a proxy for information allows for potentially greater personal productivity and enfranchisement of new groups, permitting greater participation in political and economic decision-making at various levels. In this context then, the crucial question is education for whom.

Clearly, if education is to be for the underserved and the rural majority, proportionately more resources must be allocated to basic education. In India, however, with a literacy rate of 29.5 per cent in 1971, 47 per cent of the total educational outlay (central and states) was allocated to university education, an education enjoyed by only 0.02 per cent of the population. In Bangladesh, where the literacy is considerably lower, the development expenditure in 1977/78 per enrolled student of primary school is taka 13.08 whereas it is taka 47.07 for one student of secondary level institution, and taka 3,462.50 for one university student. As many as 264 primary students get an amount of public money equal to that given to only one university student. Similarly, the government commitment of recurring expenditures to a primary student is taka 70.83 whereas it is taka 3,343.75 for a university student.[30/]

In these countries, as in Pakistan and Nepal, experiments are being carried out aimed at making education more relevant -- i.e., ruralization of the primary school curriculum - or at finding cheaper alternatives to the slow-moving and capital intensive orthodox educational system, i.e., non-formal education. But the battle between these little Davids and the Goliath is yet to begin.[31/]

In some of these experiments, the ruralization of education has involved curriculum through the introduction of training in manual skills or agriculture only in the countryside while retaining the school-leaving certificate which prepares the privileged for college and for white collar jobs. The result has been the creation of two parallel structures, the innovative one being a form of cut-rate education. "With limited opportunities of mobility between the two, the tendency would be to rigidify unequal rewards, for unequal backgrounds, with the rural youth trained only in skills lacking the access to higher levels of achievement, responsibility and participation".[32/]

/In

30/ Ministry of Finance, Government of Bangladesh, Revenue Budget, 1977/78; Planning Commission, Government of Bangladesh, Two Year Plan, 1978-1980, 1978.

31/ Akhtar Hameed Khan, op. cit.

32/ A.Z.M. Obaidullah Khan, A Turning Point (Washington/New York, January 1976), a working document for the A.C.C. (unpublished, mimeo.).

In Sri Lanka on the other hand, with 85 per cent literacy and a broad-based educational effort, there is a widespread understanding both of individual rights of access to resources and of the political process which enables the rural majority of Sri Lanka to use the power of the press and the vote. Effective political participation has resulted in all governmental services (e.g., health services, ration-shop, credit etc.) becoming more accessible to the broad majorities than elsewhere in south Asia. The education may not be relevant to local rural needs, may have resulted in considerable out-migration to the cities, yet as a proxy for information the broadly based educational investment has served to reinforce political activists and to make social services more accesible.

As in education, groups in power generally try to manipulate the health services in such a way as to strengthen and perpetuate their own privileged position. This is particularly true when such services are largely dependent upon the state. With the exception of Sri Lanka, health services in the countries under review are largely concentrated in the cities which capture most of the doctors, hospitals and budgetary expenditure. Even in case of the rural health centres, the distance that people have to travel to them is a major obstacle. An Indian study indicates that the rural population using the services of a primary health centre decreases 50 per cent for every additional half mile and that 60 per cent of the patients seen live within one mile radius.[33/] Over-all, according to a WHO estimate, less than 15 per cent of the rural populations of Bangladesh, Pakistan, Nepal and India have access to health services.

Since the doctors trained in the metropolis will not go to the rural areas, there is considerable interest, in Bangladesh for example, in training para-medical personnel. Even the para-professionals who require 12 years of formal schooling before being eligible for admission to medical assistant training centres are mainly interested to obtaining certificates that would allow them to work in the Middle East rather than in the rural areas. Those who cannot go to the Middle East are more the barefoot bureaucrats rather than barefoot doctors not being responsible or responsive to the community they are supposed to serve.

/IV.

33/ World Health Organization, Geneva, 1972.

IV. CONCLUSIONS

From reading this paper it should be clear that there exist neither absolute conclusions nor final answers. Accordingly, the paper has concentrated on describing the south Asian experience in what might seem painstaking detail. The reader can judge for himself what rural development involves, what has been tried in the past, what has succeeded, and what specific initiatives and general policies might be pursued in the future.

Through more than twenty years' work in the field called rural development and through the reflection involved in the accumulation and synthesis of the material in this paper, the author has naturally reached some conclusions for himself. However, the author firmly believes that his conclusions should be regarded no more than guidelines and insights for analysis, and that the reader should come to his own conclusions and then, if he is in such a position should test those conclusions in the field.

The author's major conclusion is that countries and people in the field must recognize and confront directly the complexities and inherent paradox of the rural development process. By avoiding this fundamental issue, one ends up formulating policies and designing projects and programmes on the basis of cliches and truisms, which may, in fact, hold no water.

What in the past have been considered the fundamental tenets of "rural development"? Generally, three major thrusts characterize a rural development policy or project: government commitment (a concept which has never been defined), organization through decentralization, and people's participation.

It may be depressing, but it should be appreciated that only one of the five countries covered in this paper has come near to what might be considered sustained government commitment to rural development. Accordingly, and the author considers this of major importance, policy makers who are committed to rural development should design policies and projects that can succeed in an atmosphere of government apathy, antagonism, or non-commitment. One cannot avert simple truths. The scholars have talked of "trickle down" and "trickle up". Why have they not coined the phrase "trickle out"? Consider the investable and reinvestable resources that flow out of a country in the first instance and out of the rural areas in the second instance.

/Rather

Rather than coating the approaches to rural development with cliches and pablum, one should gulp down the bitter truth that in a paraphrase of the words of Chairman Mao, development is not a tea party. The countries discussed in this paper are on the whole overpopulated, and they have on the whole a scanty natural resource base. Particularly, they have a scarcity of the most basic resource: land. One must take into account the obstacles inherent in an environment of poverty. Incomes must be increased for rural development to take place. The question in realistic terms is how does one distribute the benefits and growth - particularly in the initial stages of the process - so that the rural poor are brought into the mainstream and so that incentives remain for continued growth.

Similarly, the assumption that decentralization is a simple matter is both naive and unwarranted. Even in the best of circumstances, decentralization is difficult. The vast majority of people - politicians, administrators, technocrats, even academics - do not enjoy divesting themselves of power. This divestiture of power is even more difficult in an environment of instability and uncertainty. The aim of decentralization is to assign authority and responsibility, but to retain control. The very real danger of decentralization is the loss of control - political, financial, and organizational; thus one must attempt to evolve a system of decentralization while keeping in mind the human frailities and the dangers involved. Decentralization cannot simply be written into a "project document". It is unfortunate but true that the exceedingly difficult process of decentralization is absolutely necessary for rural development.

It must be kept in mind that when one decentralizes, one must decentralize to institutions and individuals. The institutions can with difficulty be designed, but implicit in the institutions are the staffing patterns. The recent popularity of rural development has highlighted the hardships and misery of living in rural areas. In all frankness, why should one want to experience these hardships if one can avoid it? Sending government personnel to the rural areas requires dedication and sacrifice. Not only does it mean sacrifice of current living conditions, but it generally means sacrifice of career advancement as well, because the corridors of power in the rural areas are concerned not with global issues, but rather with the stark realities of making ends meet. For decentralized rural development to work this issue of providing the incentives - coercive, moral, or financial - to bring the best talent to the rural areas must be faced. One of the main causes of failure of rural development policies, programmes, and projects has been the glossing over of this issue.

/People's

People's participation in the administrative and political context of the specific countries discussed in this paper - in fact, of all countries - does not come easily. The prime reason for the dismal performance of rural development programmes and projects has been the lack of people's participation - in the selection process (is this what we really want to do?), in the design (is this how we want to do it?), in the execution, and in the operation and maintenance. People's participation cannot occur on a piece-meal basis. It cannot occur on a project by project basis. People's participation must be carefully woven into the political fabric of the country. It cannot merely be a plank in the political platform. Rather the political will for people's participation must be integrated into the organizational and political framework for economically and socially viable rural development to emerge.

Encouraging and achieving people's participation is a difficult and dangerous process. It involves a shift in the mental attitude that has, on the whole, not taken place either in the countries discussed in the paper or in the aid donors who still have a very heavy influence on the direction and the specifics of the rural development process.

The concept that the people know best is foreign to the elitist seniority conscious system of education and administration, which has prevailed in the Asian countries. As an isolated example, administrators and technocrats are not trained to listen. They think they know what is best for the people and they will impart their wisdom. Clearly, to put it bluntly, this elitist approach has not worked, but even the fact of its existence is rarely mentioned.

Yet, how can one design programmes under the assumption that implementors will behave a certain way when they have been trained in just the opposite way. Where are training programmes in the fundamentals of poverty-oriented rural development? They simply do not exist, and two actions are needed. First, for short-run results, politicians, administrators, technocrats, field workers, and even the people themselves must be trained in basic interrelationships that are called for in people's participation. This training must include the fundamental truth that people's participation is an economic reality.

Second, for the long-run these concepts must be built into the educational system. This does not mean that there should be any deterioration in the educational system. Quite the contrary, the educational system should be restructured so that learning and analysis are taught, rather than rote learning. There will be considerable opposition from the education establishment and, in fact, from the entire establishment, and political will must exist on a sustained basis to bring this change about.

Another conclusion is that rural development must not be considered a subsector of agriculture. Real rural development cuts across every aspect of life and government. The terms productive and non-productive rural development

/are

are smokescreens behind which to hide from the difficulties involved in designing and executing a fiscally and financially sound rural development process. Health and education, for example, are most productive in real and social terms. Is recent progress in Sri Lanka not attributable to that country's persistent support of the priorities of these two sectors?

Further, rural development must be an indigenous process, and it cannot be done on a project by project basis. Rural development must, of course, be area specific, as it will be when people's participation comes into play. Further experiments in rural development must be conducted, particularly as most governments continue to display the lethargy of the past. However, even those experiments and projects which are "meant to make a dent and then be replicated" must conform to local conditions in the first instance the local power structure and government must actually know what conditions are and what is necessary to improve those conditions. In the second instance, the foreign agencies which have been so active in the field must be made aware of local conditions. In plain terms, rural development cannot be transplanted.

Again, optimal rural development cannot take place without sustained political will. People - particularly the aid agencies - refuse to see the dynamics and contradictions which rural development involves. Rural development is a political process which must have an economic rationale. To believe that rural development projects can be implemented in a political vacuum is both naïve and dishonest. Thus, real rural development requires a political policy framework that corrects the contradictions and which captures and molds the dynamics of the rural development process. Such a sustained political context has been anything but the case in most countries. Accordingly, the proponents of rural development must do what they can but they must do it realizing that there will be setbacks.

How these setbacks are handled is important, and in the past they have not been handled well. One cannot keep swinging from system to system and from approach to approach. One should have in mind the basic rules - fiscal responsibility, people's participation, decentralization, sound incentives, and a realistic cross-sectoral thrust - and integrate these rules into a system. Recent swings in fashion from one approach to another have been expensive financially and have resulted in the credibility of rural development being questioned before it has even been really attempted.

To repeat the initial assumption and conclusion, the reader should recall that rural development remains a very "personal concept". Thus, this paper has attempted to present the raw material in such a manner that the reader can come to his own conclusion.

/Finally,

Finally, author and reader should both remember that development - positive and negative - takes place in the rural areas every day, and that to date, authors and readers have had a very tiny impact on how this development has taken place. Would it not be a welcome event to have the reservoir of rural talent and resources be channelled so that the intense struggle of rural development would become less of a struggle?

/Annex 1.

Annex I

PLANNING STRATEGY AND PROCESS ENVISAGED IN IAD PROGRAMME

Strategy	Tasks	Action/process	Instruments/agency
1) Selection of district with low-risk-high-potential (to ensure success and pave way for replicability).	Evolve criteria for measuring low-risk-high potential districts.	Communicate over-all guidelines scrutinize the proposals in the light of these guidelines.	Central government to evolve and apply criteria for selection in consultation with the State Government and the Ford Foundation experts.
2) Evolve package of practices - crop specific, region specific (to minimize the slack, optimize level of production).	Evolve region specific, crop specific package of inputs and practices. Extend these to farmers.	Liaison with the research extension. Assembling and equipping a machinery for filling in farm plans.	Project staff to evolve in consultation with research workers (region specific, crop specific package of practices), project office staff to fill-in, evaluate and consolidate farm plans. Project officer and his staff to evolve an operational plan for the inputs and credit with the help of other district level functionaries and institutions. Director of Agriculture to facilitate the implementation.
3) Importance to off-farm activities and supportive systems: -Storage and warehouse -Marketing -Input supply (to remove bottlenecks in the use of package).	To estimate requirements. Obtain supplies Distribute supplies efficiently. Co-ordinate with other related agencies.	Evolving action plan in co-ordination with the input supplies and marketing and credit institutions.	
4) To saturate the districts with modern inputs (same as in sl. 3).	-do-	To obtain realistic figures of demand. To allocate scarce inputs on priority basis.	-do-
5) Designate a functionary responsible for the programme (to create a "responsibility centre").	To identify tasks of this functionary. To vest him with enough power, resources and prestige.	To allocate investment for infrasturcture. To create a post of project officer. To establish co-ordination committees; and To strengthen the staff in the IADP district.	State Government to designate a project officer; appoint co-ordination committes at the state and district levels.

/Annex I (continued)

Annex I (continued)

Strategy	Tasks	Action/process	Instruments/agency
6) To use existing institutions, particularly, co-operatives for discharging functions of procurement and supply of inputs and disbursement of credit (to be in tune with national programme in this regard; to maximize the returns from existing structure, and to avoid duplication).	To strengthen co-operative institutions. To start new institutions.	To establish new co-operative institutions and to strengthen existing one.	Director of Agriculture and the Registrar of Co-operative Societies to facilitate the task; Project Officer to identify gaps.
7) To motivate, persuade and facilitate individual farmers (from the experience of CD the indirect approach was found wanting).	To have face-to-face contact with farmers.	To use the instrument of farm plans for educating farmers on the possibility of higher production and income.	Project office staff to fill-in, evaluate and consolidate farm plans.

/Annex II

Annex II

ORGANIZATIONAL PROBLEMS OF IADP IDENTIFIED BY DIFFERENT SCHOLARS

Sl No.	Problem area	Nature of problem identified	Source
	Structural relationships		
1.	Centre and state agriculture personnel	(a) Authority centralized in Central and State Agricultural Departments (b) Dependence of district agricultural experts on state control experts (c) Central and State services for programme, planning and implementation deficient	
2.	With Ford Foundation	(a) Ford Foundation staff acted as activists in the initial years (and not as consultants) (b) Ford Foundation did not initially assist research and training institutions with potential to develop IADP type programme	
3.	Within the state and district	(a) State personnel not involved intimately with the district staff in implementation of programme (b) Decision of the State Co-ordination Committee had to be approved by the administrative and finance departments although they were represented on these Committees	a/, b/, c/, d/, e/
4.	Relationships within IADP system	No co-ordination within IADP components	
5.	Relationships	(a) Role of Department of Agriculture in the states vis-à-vis Agriculture Universities in regard to agriculture extension work not specified (b) Central experts in the Ministry of Agriculture not linked with ICAR (c) Lack of effective connexion between Agriculture Universities and grass roots	
6.	Relationships with other Departments within the District	(a) No effective co-ordination with the co-operative institutions (b) No darth of institutional mechanism of co-ordination, they are slack and do not function properly (c) Co-ordination meetings reviews, offer no solutions (d) Channels of communication checked, distorted and delaying (e) Collector's job unmanageable, contradictory and conceptually invalid (f) Collector cannot give much attention, leadership to anyone programme	f/, g/, h/, i/, j/

/Personnel

Annex II (continued)

Sl No.	Problem area	Nature of problem identified	Source
	Personnel problems		
1.	General	Personnel system failed to support the IADP Programme	
2.	Qualification, competence, background, experience	(a) Qualifications, competence background and experience of IADP staff inadequate (b) Inability of national level IADP Administration to provide guidance to the district staff (c) SMSS not qualified (d) Failure of SMSS to play their role (e) Lack of staff trained in techniques of programme development, planning process and farm planning (f) Generalist extension workers (ASOs, VLWs) not able to meet the technical and scientific problems	
3.	Strength of IADP staff	(a) Strength of IADP staff did not vary according to the needs of the areas (b) Inadequate staff support to central Project Director (c) Inadequate IADP staff for the task in hand (d) Inadequate strength of VLWs	
4.	Recruitment/ Postings	(a) Delayed recruitment and/or posting of IADP staff (b) Recruitment not based on competence and performance	k/

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Annex II (continued)

Sl No.	Problem area	Nature of problem identified	Source
5.	Retention and Transfers of staff	(a) No continuity of staff functioning at national level (b) Frequent transfers of collectors (c) Frequent transfers of IADP staff	
6.	Power and Control of staff	(a) Inadequate powers to the project officer (b) Inadequate powers to other IADP officers (c) Inadequate control of project officer over his staff and finance (d) Dual control of extension staff has done much harm (e) Project officer has no control over co-operation staff which is of key importance to IADP	
7.	Training of staff	(a) Training restricted to the programmes organized at district level (b) Training of lower staff (VLWs, Co-operative Supervisor) neglected (c) No proper training to staff	
8.	Workload and work performance	(a) Functional responsibility of IADP staff vague (b) Workload of SMSS is too much (c) Too much workload on the VLWs (d) Performance of whole extension team (not the competence of VLW) important. (e) Extension methods inappropriate (f) VLWs called upon to undertake non-agricultural work	1/

Annex II (continued)

Sl No.	Problem area	Nature of problem identified	Source
9.	Support, incentive and Morals	(a) Lack of adequate transport facilities to the SMSS (b) Rules too rigid to encourage local initiative on incentives (c) Advancement not based on competence and performance	
	Administration		
1.	Judgement of problems	(a) Gross under-estimation of size and complexity of IADP problems (b) Adequacy of C.D. to carry out the food production increasing task was not challenged (c) Poor understanding of development process	
2.	Planning mechanism	(a) Unreality of top to bottom planning and programme development (b) Farm planning perfunctory (c) Emphasis on serving the bigger farmer (d) Neglect of dry areas (e) Practice package for the entire district (and not for different areas within the district) (f) Whole IADP strategy is supply (not demand) based (g) Programme a commodity or technology programme (h) Total emphasis on targets (i) Scheme approach to agriculture since the very beginning in India (j) Uncertainty of assistance delayed formulation of plans (k) Constitution and functioning of the planning department and its relation with agriculture department needs professional touch (l) Lack of adequate research data on which to base extension recommendations	m/, n/, o/

Annex II (continued)

Sl No.	Problem area	Nature of the problem identified	Source
3.	Implementation	(a) Administrative control of budget, staff and programme was not at district level (b) No effective follow-up work on demonstrations (c) Lack of follow-up of production plans to ensure adoption (d) Greater emphasis on supply of fertilizers and neglect of other inputs	
4.	Procedures followed	(a) Delays in getting sanctions (b) Administrative and financial procedures cumbersome and complicated (c) Lack of flexibility in procedures (d) Farm planning too complicated for the farmers	
5.	Assessment and evaluation of	(a) Methodology of evaluating IADP was questionable (b) Assessment and evaluation of the programme was faulty as a system	p/
Environment			
1.	Physical	Selection of some districts was faulty	
2.	Client system	(a) Lack of understanding of farm planning process by the farmers (b) Lack of effective co-operative leadership	
3.	Legal	Unfavorable agrarian structure (uncertain tenurial status)	

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Annex II (continued)

Sl No.	Problem area	Nature of problem identified	Source
4.	Administrative system operative	(a) Centre and state not completely committed to IADP	
		(b) Administrative ethos not completely committed to IADP	
		(c) Indian administrative system gives primacy to administration of law and order and not technicians	
		(d) Frequent changes in the priorities and programme	
5.	Institutional support within IADP system	(a) Delay in the establishment of supporting facilities (IM, STL, IV)	
		(b) Inefficient functioning of seed farms	
6.	Other institutional support systems	(a) Inadequacy of distributional arrangements for supplies	
		(b) Credit organizations not able to meet credit needs of IADP	
		(c) Limited experience of credit institutions in extending loans on the basis of production plans	
		(d) Co-operative officials less effective	g/
		(e) Co-operative societies weak in handling other problems (marketing etc.)	
		(f) Failure of co-operatives to collect loans and attract deposits	
7.	Technology	(a) Technology needed to run the programme was not available	
		(b) Irrigation system of protective famine relief type and is not sufficient to meet the needs.	

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